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**THE EFFECTIVENESS OF ECONOMIC SANCTIONS: THE CASE OF  
RUSSIA'S SANCTIONS AGAINST TURKEY**

MA thesis

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I have written this Master's thesis independently. All viewpoints of other authors, literary sources and data from elsewhere used for writing this paper have been referenced.

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## **Abstract**

The effectiveness of economic sanctions is one of the key issues in current debates in the International Relations (IR) literature on sanctions. A key aspect for the effectiveness of economic sanctions is how to transfer economic pain to coercive power, in particular, how the “sender” might wring concessions from the “recipient” or target, making sanctions an effective foreign policy tool. This study contributes to this debate by demonstrating the relevance of target country vulnerability. This study engages in this debate and explores the factors behind Turkey’s decision to make foreign policy concessions to Russia in the aftermath of a sharp deterioration of relations between two countries.

After shooting down Russian SU-24 jet, the diplomatic relations between Turkey and Russia de facto broke down. In regard to this incident, Russia imposed a package of sanctions against Turkey and presented demands, only in case of fulfillment of which Kremlin was ready to restart dialogue with Turkey. Over seven months Ankara rejected to give in any demand required by Moscow, but later Turkish foreign policy behavior towards Russia drastically changed, since Erdogan made substantive foreign policy concessions for the restoration of relations between two countries. For explaining this turnaround in Turkish foreign policy, the mediating role of a target’s susceptibility to coercion – its vulnerability - is brought into view. What explains turnaround of Turkish foreign policy towards Russia is domestic instability and international isolation which intensified Turkey’s “vulnerability” to a high level and made it more susceptible to Russia’s economic pressure. This study establishes that economic sanctions become effective under the condition of high vulnerability which is a function of domestic instability and international isolation. In this way, this study demonstrates that economic sanctions alone do not determine the effectiveness, but have to be matched with a context in which the economic pain they inflict can also translate into political pressure.

**Keywords:** economic sanctions, vulnerability, concession, Russia, Turkey

## **List of abbreviations**

CPT - European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment

Daesh - Arabic acronym of Islamic State

FDI - Foreign Direct Investment

GDP - Gross Domestic Product

ISIL- Islamic State of Iraq and the Levant

IS - Islamic State

PKK - Kurdistan Workers' Party

RF - Russian Federation

SDF - Syrian Democratic Forces

START - The National Consortium for the study of terrorism and responses to terrorism

TAK - Kurdistan Freedom Hawks

TEPAV - Economic policy research Foundation of Turkey

YPG - Popular Protection Units

## Table of contents

1. Introduction .....	7
2.1. Theoretical framework: explaining the effectiveness of economic sanctions.....	10
2.2. The conditions determining the effectiveness of sanctions.....	17
3. Methodology .....	28
3.1. Research design: a cross-temporal comparison .....	29
3.2. Case selection .....	30
3.3. Operationalization of variables .....	32
4.1. Analysis: Assessing the effectiveness of Russia's sanctions against Turkey .....	35
4.2. Turkey's response to Russia's sanctions.....	45
4.2.1. Turkey's response before the coup attempt: no concessions.....	45
4.2.2. Turkey's response after the coup attempt: concessions.....	49
4.3. Domestic instability and international isolation before and after the coup attempt.....	56
5. Conclusion .....	65
Literature.....	69
Sources.....	72
Appendices.....	78

## Introduction

The success and failure of economic sanctions continue to be the subject of debates in the literature on economic sanctions.<sup>1</sup> Notwithstanding their growing significance, there is still lack of theoretical understanding about determinants of the effectiveness of sanctions. Since, in general, economic sanctions pursue non-economic goals, it is utmost important to reveal under what conditions sanctions transfer from economic pressure to political influence, and, particularly, in what phase they are able to generate concessions by the target country. In other words, when sanctions are successful as a coercive strategy. The statements, that sanctions often do not succeed in changing the behavior of the target country or they are “a notoriously poor tool of statecraft”<sup>2</sup> are simply undermined. However, this foreign policy tool has become more popular and the integral component of modern international politics. Although economic sanctions can serve as so-called a “cheap” alternative to the use of military force, they are not cost-free. Before the imposition of sanctions, political leaders should examine when the usage of the sanctions can be maximum beneficial.

After the shooting down of Russian SU-24 aircraft, Russian-Turkish relations were subjected to a serious crisis, and the diplomatic relations between both countries de facto broke up. Russia imposed a package of sanctions (a ban on the import of fruit and vegetables, on grand construction projects, removal of a non-visa regime and so on) against Turkey. Despite economic sanctions imposed significant costs on many sectors of the Turkish economy, they did not lead to foreign policy concession by the Turkish government. In terms of effectiveness of sanctions, they were ineffective. This unyielding stance became swiftly unraveled in the aftermath of the attempted coup in Turkey when, after seven-month deadlock, Turkey drastically changed its foreign policy towards Russia and made concessions. The first precondition of starting any dialogue between Moscow and Ankara was Putin’s demand from Erdogan to officially apologize for the incident. After the coup, President Erdogan visited Putin in St. Petersburg, where they discussed a range of issues

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<sup>1</sup> Baldwin D. A., “The Sanctions Debate and the Logic of Choice”, *International Security*, Winter 1999-2000, Vol. 24 No. 3, p. 80

<sup>2</sup> K. R. Nossal, *Rain Dancing: Sanctions in Canadian and Australian Foreign Policy*, Toronto, 1994, p. xv

and, especially, the restoration of relations between two countries. Then, the Turkish side expressed a readiness to agree to find a common solution over the Syrian issue together, since the regional security issues, from the Turkish perspective, are impossible to solve without Russia. In turn, the Turkish President Recep Tayyip Erdogan invited Vladimir Putin to attend the 23rd World Energy Congress in Istanbul. During the visit in Istanbul, they discussed not only bilateral relations but also renewed their energy cooperation. Finally, Russia–Turkey relations entered rapprochement phase.

Before this background, the main objective of this thesis is to examine the factors which led Turkey to make concessions to Russia, a foreign policy turnaround which then paved the way for normalization of relations between Moscow and Ankara. The main research question of this study is formulated as: **Under which conditions do sanctions lead to the intended change in foreign policy of the target country?** More precisely, this study reveals the factors behind Turkey's decision to make foreign policy concessions to Russia and normalize relations with Russia in this way. For explaining the puzzle of Turkey's foreign policy turnaround, the sudden reversal of its stance towards Russia, the mediating role of vulnerability for translating economic pain/costs into political costs is examined. In this way, a cross-temporal comparison of pre- and after-coup periods give me an opportunity to study the relevance of vulnerability for the effectiveness of sanctions.

This study argues that the change in Turkish foreign policy towards Russia was not a direct impact of Russian sanctions, but a result of increased vulnerability derived from domestic instability and international isolation of Turkey. Economic sanctions solely did not lead to the concessions, but they became an effective coercive tool only in combination with increased vulnerability. What I am dealing with is the intervening variable. Hence, what I am interested in are the conditions under which sanctions become effective and lead to intended outcomes. The hypothesis therefore is: **The more vulnerable the target country, the more effective are economic sanctions.** Vulnerability translate economic pain into a political cost and, hence, determines whether concessions occur. In other words, under the condition of low vulnerability economic sanctions do not generate concessions, while under conditions of high vulnerability they have the capacity to generate concessions. The level of vulnerability activates or deactivates the susceptibility of Turkey towards Russian economic sanctions. In



other words, levels of vulnerability determine the conditions under which economic sanctions are effective. The work is divided into three chapters. In the first chapter, I will present the theoretical framework of economic sanctions in international politics, and also conditions determining the outcome of sanctions effectiveness broadly discussed on sanction literature. In the second chapter, I will describe which is the most suitable method to examine the phenomenon in which I am interested in and also the limitations of the chosen method and why this study has selected the case of Russian sanctions against Turkey for exploring the effectiveness of sanctions. The third chapter will be the most voluminous which will empirically test the hypothesis put forward above. Here, firstly, it will be described the legal framework of Russian sanctions and it will be shown through quantitative analysis their tremendous negative pressure on different sectors of the Turkish economy. Secondly, I will analyze Turkish foreign behavior before and after coup periods. The cross-comparison will give me chance to investigate factors leading from non-concessions to a concession. In terms of effectiveness, sanctions are found to be ineffective during the first period. In contrast, during the second period, they led to concessions. Finally, in order to account for this sudden turnaround and the reversal in the Turkish stance from an unyielding stance in face of Russia's sanctions to giving in to Russia's demands, I will study how this sudden turnaround was triggered by domestic instability and international isolation. The level of vulnerability reached its peak due to attempt to topple the government unconstitutionally, which played a decisive role along with international isolation in generating concessions. Lastly, in the conclusion section, I will summarize the main findings and will answer the overarching question this study has set out to explore, and reflect upon the implications of the findings of this study for the wider debate on the effectiveness of economic sanctions in the International relations literature. The latter ties the effectiveness of sanctions to the vulnerability of the target country.

## **2.1. Theoretical framework: explaining the effectiveness of economic sanctions**

Increasing economic interdependence in the modern world, the wish to escape from the costs of military force and enlarged international collaboration through the United Nations have made economic sanctions as an attractive foreign policy tool to coerce other states to change their objectionable policy behavior. In other words, economic sanctions as part of the coercive toolkit, are a form of coercion in international politics. The primary rationale of economic sanctions throughout history has substantially remained the same: limiting foreign trade and finance or depriving targeted states or nonstate actors from economic benefits such as state aid to implement broader security or foreign policy objectives. As G. C. Hufbauer and J. J. Schott have stated foreign policy disputes can be solved in five different ways such as “diplomacy, political coercion, economic coercion covert actions and military interventions”.<sup>3</sup> These policy responses more constantly comprise the various elements of abovementioned means and economic sanctions seem to be as “the centerpiece” between extremely soft and strict actions. In those conditions, sanctions are rarely considered as the “ideal” weapon, rather than they are viewed as the “least bad” alternative”.<sup>4</sup> According to D. Baldwin, if economic sanctions are viewed within the scope of choice, as he did, then they should be determined as “means rather the ends”. Hence, economic sanctions as a foreign policy tool are not limited to specific foreign policy purposes, but they are conceivably accessible to policymakers for a series of aims.<sup>5</sup> In other words, economic sanctions are one among many instruments that a state has at its disposal in pursuit of its foreign policy objectives. The perceived advantage of economic sanctions as a tool of coercive foreign policy, compared to alternatives such as military actions is that they are relatively pacific and inexpensive means. This means they are used more frequently as a low-cost alternative where coercive responses are considered to be required. They can serve as an alternative, antecedent or auxiliary to the use of military force. In contrast, B. R. Early argues that sanctions must

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<sup>3</sup> Hufbauer G. C., Schott J. J. “Economic Sanctions and U. S. Foreign Policy Source”, *American Political Science Association*, Autumn 1985, Vol. 18, No. 4, p. 727

<sup>4</sup> Ibid.

<sup>5</sup> Baldwin D. A., “The Sanctions Debate and the Logic of Choice”, *International Security*, Winter 1999-2000, Vol. 24 No. 3, p. 82

not be viewed as a low-cost replacement with use of arm forces. In the case of United States, they cost Americans “billion of dollars and hundred thousands of jobs”<sup>6</sup> and it is a quite hard choice of resorting to economic sanctions. “US policymakers have not always made those choices with an accurate understanding of their true costs and the factors that determine their chances of success”.<sup>7</sup> This means that although perhaps less costly than military action, coercion through economic sanctions is not cost-free and the states should consider whether or not to use it when it is beneficial to do so. The costliness of sanctions notwithstanding, the United States has applied this policy instrument more than any country in the world.<sup>8</sup> Today, economic sanctions have become a common and recurring feature of international relations, namely, its integral part.<sup>9</sup> In fact, one could say sanctions have become part of the toolbox of foreign policy and have been widely applied, this, of course, does not yet say much about their effectiveness as a foreign policy tool, something that I will return to below. So, these unprecedented activities make policymakers and scholars to discuss and scrutinize the different aspects of this multifaceted phenomenon.

There are a number of different definitions of economic sanctions in the literature. D. Drezner defines economic coercion

*as the threat or act by a nation state or coalition of nation-states, called the sender, to disrupt economic exchange with another nation-state, called the target, unless the targeted country acquiesces to an articulated political demand. The disrupted exchange could include trade sanctions, boycotts, aid suspensions, freezing of financial assets, or the manipulation of tariff rates.*<sup>10</sup>

D. Drezner exactly shows that any decision related to a sanction aimed at altering its economic policy has first of all political consequences for its foreign relations,<sup>11</sup> that is why political goals and foreign economic goals, according to A. Cooper, should be part of the

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<sup>6</sup> Bryan R. E., *Busted Sanctions: Explaining why economic sanctions fail*, Stanford University Press, 2015, p. 8

<sup>7</sup> Ibid.

<sup>8</sup> Hubfauer G. C., “Trade as a weapon”, San Diego State University, *World Peace Week*, April 12-18, 1999 <http://zoww.iie.com/publications/papers/hufbauer0499.htm>

<sup>9</sup> *Targeted Sanctions: the impacts and effectiveness of United Nations Actions*, Cambridge University Press, 2016, pp. 1-13

<sup>10</sup> Drezner Daniel W., *The Sanction Paradox: Economic statecraft and International relations*, New York: Cambridge University Press, 1999, p.3

<sup>11</sup> Drezner Daniel W., “Outside the box: Explaining sanctions in pursuit of foreign economic goals”, *International Interactions*, 2001, Vol. 26, No. 4, pp. 372-410

definition of economic sanctions.<sup>12</sup> G. C. Hufbauer, J. J. Schott, K. A. Elliot and B. Oegg define economic sanctions in a more specific way: “the deliberate, government-inspired withdrawal, or threat of withdrawal, of customary trade or financial relations. “Customary” does not mean “contractual”; it simply means levels of trade and financial activity that would probably have occurred in the absence of sanctions”.<sup>13</sup> Similarly, A. Cooper defines economic coercion as “some form of negative economic pressure that the sender uses to coerce the target into either altering its policy or deterring the target from changing its policy. It includes neither negative economic pressure used to weaken the target prior to military hostilities nor positive economic incentives”.<sup>14</sup> In contrast, J. Barber gave a broad definition of economic sanctions: “economic measures directed to political objectives”.<sup>15</sup> Following the same approach, J. Lindsay considered them as “measures in which one country publicly suspends a major portion of its trade with another country to attain political objectives”.<sup>16</sup> According to B. E. Carter, economic sanctions are “coercive economic measures taken against one or more countries to force a change in policies, or at least to demonstrate a country’s opinion about other’s policies”.<sup>17</sup> Economic coercion by the definition of M. Nincic and P. Wallenstein is “the imposition of economic pain by one government on another in order to attain some political goal. It is implemented, or at least initiated, by political authorities who intervene in the “normal” operation of economic relations”.<sup>18</sup> This variety of definitions, despite different emphases, firstly indicate the economic sanction’s coercive power in international politics. In other words, economic pain has an ability to transfer into political pressure, leading to desirable political ends.

Besides, economic sanctions are also discussed in the context of UN and International law. From this perspective, economic sanctions mean UN sanctions and for defining sanctions it

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<sup>12</sup> Drury A. C., *Economical sanctions and presidential decisions, models of political rationality*, New York 2005, p. 16

<sup>13</sup> Hufbauer G. C., Schott J. J., Elliot K. A., Oegg B., *Economic sanctions Reconsidered*, 3<sup>rd</sup> ed., Washington D.C.: Institute of International Economics, May 2009, p.3

<sup>14</sup> Ibid, p. 14

<sup>15</sup> Barber J., “Economic Sanctions as a Policy Instrument”, *International Affairs*, 1979, Vol. 55, No. 3, p. 367

<sup>16</sup> Lindsay J. M., “Trade Sanctions as Policy Instruments: A Re-examination”, *International Studies Quarterly*, 1986, No. 30, p. 154

<sup>17</sup> Malloy M. P., *Economic Sanctions and US trade*, Canada 1990, p. 12

<sup>18</sup> Nincic M. and Wallenstein P., “*Economic Coercion and Foreign Policy*” in *Dilemmas of Economic Coercion: Sanctions in World Politics*, New York: Praeger, 1983, p. 3

is a necessary precondition of violation of international norms. In other words, sanctions are “a forcible interference in the sphere of interests that are normally protected by law.”<sup>19</sup> In narrow meaning, those are punishments in exchange for “threat to peace and security”.<sup>20</sup> However, the definition of economic sanctions should not be limited within the scope of UN enforcement measures, since in practice, sanctions are employed to react in some way target state’s objectionable policy, even there is no breach of codified norms.

On the basis of the literature discussed above this study defines economic sanction as a coercive political tool to influence/change target state’s policy. More specifically, they pursue the goal to wring concessions in foreign policy through inflicting economic damage upon target state or through disrupting common economic exchange. In economic sanction literature, the term “sender” refers to the country which imposes a sanction and the term “target” refers to the state which receives economic harm, is being sanctioned. I also here use those terms by the same meaning. Although economic sanctions and economic coercion are used from time to time by the same meaning on economic sanctions literature, however, those terms are different from economic warfare, from trade war and economic statecraft.<sup>21</sup> As D. Drezner has mentioned that he uses the terms economic coercion, economic statecraft and economic sanctions “interchangeably in the interest of style, but they are technically different”.<sup>22</sup> Economic statecraft includes usage of both negative and positive sanctions. So, sanctions are one component of economic statecraft. Besides, D. Baldwin argues, the exposing of certain stance through economic sanctions “is not an alternative to using them as instruments of statecraft; it is statecraft”.<sup>23</sup> Positive sanctions (actual or promised rewards) refer to a state promising to grant enlarged access to its markets or to augment its foreign aid (humanitarian aid, tariffs’ lessening or abolition, investments from different states or entities such as World Bank, International Monetary Fund) to another state in exchange for it making

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<sup>19</sup> Kelsen, *The Law of United Nations*, p. 369, cited in Hakimdavar G., *A Strategic Understanding of UN Economic Sanctions, International Relations, Law and Development*, Taylor & Francis, New York 2014, p. 52

<sup>20</sup> Hakimdavar G., *A Strategic Understanding of UN Economic Sanctions, International Relations, Law and Development*, Taylor & Francis, New York 2014, p. 52

<sup>21</sup> D. Baldwin, *Economic Statecraft*, Princeton University Press, 1985, pp 12-35

<sup>22</sup> Drezner Daniel W., *The Sanction Paradox: Economic statecraft and International relations*, New York: Cambridge University Press, 1999, p. 3

<sup>23</sup> Baldwin D. A., “The Sanctions Debate and the Logic of Choice”, *International Security*, Winter 1999, Vol. 24, No. 3, p. 102

specific policy changes or keeping on pursuing an existing policy. One of the good examples of it is the significant role of positive sanctions played in the negotiation between Security Council and Iran over uranium enrichment program. However, our discussion within the scope of this thesis is limited to negative economic sanctions. Negative sanctions (actual or promised punishments) refer to actual or threatened measures that impose costs or withhold benefits from the target for following or failing to follow a certain policy. In other words, they are a specific tool for expressing the non-approval of certain behavior. Different from trade wars (concerning only trade disputes), which pursue goal to convince the target state to agree to new conditions of trade auspicious for the sender and to impact the target state's economic policies through inflicting economic pain and economic warfare which weakens the adversary's economic potential over peaceful or ongoing wartime in order to lessen its military production, economic sanctions pursue goal to diminish the accumulation of economic welfare of the target by cutting down international trade so as to coerce the target state to change its political behavior.<sup>24</sup>

Dependent on the number of actors involved in, there are two types of sanctions: unilateral and multilateral (also called universal sanctions). Unilateral sanctions are imposed by the sender against a single target. The latter can include a state member of UN or a group or organization within a state, for instance, political or military faction. Unilateral sanctions also often target individuals through financial asset seizures, travel bans, suspension of aid, trade controls, blacklisting of companies or by other methods, which are regulated by the domestic law of sanctioning country. In case of multilateral sanctions, several states or "international community" unite together to impose a sanction against a given state. Though UN sanctions also classified as multilateral sanctions, they differ from other sanctions, since UN emerges as a third party that demands all member states to employ sanctions on the target. J. Galtung distinguishes three main types of sanctions with certain elements:

*a) diplomatic sanctions-1) no recognition 2) rupture of diplomatic relations 3) no direct contact with political leaders 4) no cooperation by international organizations, b) communication sanctions-1) rupture of telecommunications 2) rupture of mail contact 3) rupture of transportation (ship, rail, road, air) 4) rupture of news communications (radio, newspapers, news agencies) 5) rupture*

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<sup>24</sup> Pape R. A., "Why economic sanctions don't work", *International Security*, 1997, Vol 22., No. 2, p. 93

*of personal contacts (tourism, family visits) and c) economic sanctions 1) internal destruction (economic sabotage, strikes) 2) rupture of trade relations (import, export boycotts, goods, capital, services).*<sup>25</sup>

However, the freeze of diplomatic relations also can be viewed as a part of economic sanctions. This means actual form of economic sanctions can be featured by limitations on the flow of goods, services, capital, credit, in general sense export, import and finances (i.e. commercial finances, bilateral aid), including freezing or seizing target's assets, travel bans and control over markets so as to restrict or abolish the target's possibilities of obtaining access to them. The latter can also refer to monetary sanctions which aim is to destabilize currency values, such as inflation and deflation. One of the examples of it is the sanctions designed by International Monetary Fund, World Bank. Besides, sanctions are also categorized according to their scope. There are more narrow in scope (target-, issue- or person-specific), and then there is the extensive form of sanctions called comprehensive sanctions. Those are an aggregate program of embargoes, boycotts and financial sanctions aimed at totally weakening and subduing a target state. The humanitarian impact of such kind of sanctions, as usual, are quite high. If a boycott is a constraint on imports one or more types of goods, then embargo, on the contrary, is a restriction on exports of certain products to the target state. The next category of sanctions are smart sanctions, in theory also called targeted sanctions and discriminating sanctions, are "the precision-guided munitions of economic statecraft".<sup>26</sup> The concept of smart sanctions is relatively new and it appeared to be as an alternative and facilitative tool of the devastating effect of the comprehensive sanctions on the civilian population. To put it simply, targeted sanctions "are meant to focus their impact on leaders, political elites and segments of society believed responsible for objectionable behavior while reducing collateral damage to the general population and third countries."<sup>27</sup> Smart sanctions involve various types of sanctions such as freezing of financial assets,

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<sup>25</sup> Galtung J., "On the effects of international economic sanctions: With examples from the case of Rhodesia", *World Politics*, April 1967, Vol. 19, Issue 3, p. 382

<sup>26</sup> Drezner Daniel W., *An analytically eclectic approach to sanctions and non-proliferation*, Tufts University, 2010, p 2

<sup>27</sup> Hufbauer G.C. and Oegg B., "Targeted sanction: A policy alternative?", Paper for a symposium on "Sanctions Reform? Evaluating the Economic Weapon in Asia and the World", *Institute for International Economics*, 23 Feb. 2000, <https://piie.com/commentary/speeches-papers/targeted-sanctions-policy-alternative>

selective banking sanctions, travel and visa bans, arms embargoes, restriction on particular commodities and such as oil, diamonds, timber and natural resources, directly hurting those individuals who are responsible for the objectionable policy.<sup>28</sup> Due to lack of humanitarian consequences, smart sanctions have become very popular foreign policy tool over the last decade, but there are still doubts whether sanctions have the capability to hurt the political leaders to such a degree that they will be ready to alter their behavior. So, the effectiveness of smart sanctions is a distinct topic which I will discuss in detail in the next section.

Though the coercion is the main reason for the application of sanctions, it is not a single objective of sanctions, they are also intended to achieve other effects. The goals of sanctions are multiple and if they fail to force a change in the behavior of target, it does not mean failure in policy at all. Sanctions may succeed in sending a signal to a target or in constraining a target or just achieving less ambitious foreign policy objectives, etc. J. Barber made clear that the objectives of sanctions are not straightforward and broadly they are grouped into three categories: primary, secondary and tertiary. While primary objectives refer to the actions and behavior of the target, secondary objectives refer to the status, behavior, and expectations of the sender. Lastly, tertiary objectives refer to wider international considerations concerning the structure and operation of the international system as a whole which is extremely substantial for the sender.<sup>29</sup> Bringing the example of sanctions against Cuba, J. Barber explained secondary objective for American politicians as taking domestic support through actions against Cuba, and tertiary objective as preventing the spread of the communism to the Western hemisphere.<sup>30</sup> J. Lindsay has identified five foreign policy goals by the sender: compliance(coercion), subversion(destabilization), deterrence (punishment), international and domestic symbolism (demonstrative) and came into conclusion that sanctions aimed at the first three goals are usually failing and the states more often employ sanctions for symbolic objectives as the reaction to existing situation.<sup>31</sup> Besides, J. Lindsay

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<sup>28</sup> Drezner Daniel W., *An analytically eclectic approach to sanctions and non-proliferation*, Tufts University, 2010, p 4

<sup>29</sup> Barber J., "Economic Sanctions as a Policy Instrument", *International Affairs*, July 1979, Vol. 55, No. 3, p. 370

<sup>30</sup> Ibid.

<sup>31</sup> U-Jin A. A. and Peksen D., "When Do Economic Sanctions Work? Asymmetric Perceptions, Issue Salience, and Outcomes", *Political Research Quarterly*, March 2007, Vol. 60, No. 1, p. 136



does not view punishment as one of the purposes of sanctions, considering it as means of the operation of the sanctions. Being interested in the conditions under which the economic sanctions have the capacity to change targeted state's behavior (policy) I concentrate on sanctions as an instrument of coercion. In accordance with pursuing central foreign policy objectives, one can distinguish between different aims such sanctions can be used for: a) to change the target country policies relatively modest and limited way, b) to change target countries regime, c) disrupt a military adventure, d) impair the target countries military potential or e) change target countries policies in another major way.<sup>32</sup>

Sanctions can be used for all sorts of aims, but empirically, the success of sanctions differs also according to the scope of the aim for which they are deployed. This raises the more general question about the conditions under which sanctions are effective as a foreign policy tool, which I am going to specify in the following section.

## **2.2. The conditions determining the effectiveness of sanctions**

In globalization era, economic sanctions have become an increasingly remarkable feature or an integral part of world politics due to diminishing legitimacy of the use of force and growing economic interdependence. However, there are still great doubts about their effectiveness as a foreign policy tool. The issue of working economic sanctions has prevailed in the sanction literature for decades. If some authors<sup>33</sup> approach is optimistic about the effectiveness of sanctions, others<sup>34</sup> consider that sanctions are successful only in exceptional cases. The third group of authors<sup>35</sup> stresses the necessity to distinguish between the cases

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<sup>32</sup> Hufbauer G. C., Schott J. J., Elliott K. A., Oegg B., *Economic sanctions Reconsidered*, 3rd ed., Washington D.C.: Intitute of International Economics, May 2009, p. 53

<sup>33</sup> Examples of this position are Hufbauer G. C., Schott J. J., Elliott K. A., Oegg B., *Economic Sanctions Reconsidered*, 3rd edition, Washington D.C.: Peterson Institute for International Economics, 2009; Elliott K. A., "The Sanctions Glass: Half Full or Completely Empty?" *International Security*, Summer 1998, Vol. 23, No. 1, pp. 50-65

<sup>34</sup> For example Galtung J., "On the Effects of International Economic Sanctions: With Examples from the case of Rhodesia", *World Politics*, April 1967, Vol. 19, Issue 3, pp. 378-416; Pape R. A., "Why Economic Sanctions Do Not Work", *International Security*, Fall 1997, Vol. 22, No. 2, pp. 90-136 (also see Baldwin 1985; Blanchard and Ripsman 1999)

<sup>35</sup> In this third group are authors such as Drezner D., "The Hidden Hand of Economic Coercion", *International Organization*, Summer 2003, Vol. 57, Issue 3, pp. 643-659; Lacy D. and Niou E., "A Theory of Economic

when sanctions have actually been imposed and the cases when they have been threatened. They claim that economic coercion is more successful at the threat stage than at the imposition stage, although they occasionally work after being imposed as well. Economic sanctions are more successful in the initial years of employment, since then targets have not adjusted under sanctions yet and the intensity of economic pain cannot be the same over the whole sanction phase.<sup>36</sup> In the existing literature, a whole array of factors that increase the likelihood of sanctions generating concessions have been identified. As a general rule, the cost inflicted on the target state matters. The likelihood of generating concessions is high when the target's costs of sanctions imposition are substantial or put it simply, sanctions that impose larger costs.<sup>37</sup> This is especially so if the target is a democratic state,<sup>38</sup> or when the disputable issue at stake has low salience for the target state.<sup>39</sup> In addition, the likelihood of concessions has been found to increase when an international institution encourages the sanctions<sup>40</sup> and when we deal with financial sanctions (aid cutoffs, asset freezes, and other monetary pressures) suppressing the main supporters of the target regime rather than trade sanctions.<sup>41</sup> Besides, the probability of effectiveness of sanctions, in particular leading to concessions, is growing when sanctioning cases include the sender's national security interests (for example, big strategic gas projects, or placing an embargo on oil exports to a large country will considerably lessen the profits of an OPEC state and so on).<sup>42</sup> On the other hand, the probability of success, of sanctions leading to concessions, has been found to decrease when the target country has strong ideological motivation and security issues which work against giving in to demands (engaging in struggling for survival or self-determination).

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Sanctions and Issue Linkage: The Roles of Preferences, Information and Threats", *Journal of Politics*, 2004, Vol. 66, No. 1 pp. 25-41

<sup>36</sup> *On target? EU sanctions as security policy tools*, September 2015, Report N25, p 21

<sup>37</sup> Dashti-Gibson J., Davis P. and Radcliff B., "On the Determinants of the Success of Economic Sanctions", *American Journal of Political Science*, 1997, Vol 41, pp. 608-618

<sup>38</sup> Bolks S. and Al-Sowayel D., "How Long Do Economic Sanctions Last?", *Political Research Quarterly*, June 2000, Vol. 53, pp. 241-265

<sup>39</sup> U-Jin A. A. and Peksen D., "When Do Economic Sanctions Work?", *Political Research Quarterly*, 2007, Vol. 60, No. 1, pp. 135-145

<sup>40</sup> Bapat N. and Morgan T. C., "Multilateral Versus Unilateral Sanctions Reconsidered", *International Studies Quarterly*, 2009, Vol. 53, pp. 1075-1094

<sup>41</sup> Kirshner J., "The Microfoundations of Economic Sanctions", *Security Studies*, 1997, Vol. 6, No. 3, pp. 32-64.

<sup>42</sup> Drury A. C., "Economic sanctions and presidential decisions", Palgrave MacMillan, New York 2005, p.39

They are ready to endure very high costs pushing forward that ideology which is, according to them, is vital for survival.<sup>43</sup> Moreover, it must be kept in mind that economic sanctions have double-edged effects on both sides, despite the fact that as usual, the sender suffers much less than the target, otherwise the sender would not imitate it. There is also approach that even if the sanctions do not change the target's behavior they can still be considered effective through intensifying the reputation of the sender as a decisive player or through creating a situation where the sender prefers status quo<sup>44</sup> or they are already effective just for being an alternative to military force. However, the negative statements about the effectiveness of economic sanctions are incomparably numerous in sanctions literature. As R. Haass notes: “(w)ith few exceptions, the growing use of economic sanctions to promote foreign policy objectives is deplorable”.<sup>45</sup> This leaves a rather doubtful picture of the overall effectiveness of sanctions, of sanctions leading to concessions. However, it still seems that sometimes, under some conditions, sanctions do work and produce desired effects. This begs the question when, under which conditions, sanctions lead to foreign policy adjustment. Whereas the effectiveness of sanctions as a foreign policy tool is an ongoing debate,<sup>46</sup> or by words of D. Baldwin, that debate “is a mired in a scholarly limbo”,<sup>47</sup> this study is going to contribute to this debate by demonstrating the relevance of target country vulnerability. Before focusing on it, we should understand the meaning of successful sanctions which is another concept in need of specification. In regard to this, D. Baldwin firstly noted: “the complexity of “success” as a multidimensional concept must be acknowledged”,<sup>48</sup> then

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<sup>43</sup> *On target? EU sanctions as security policy tools*, September 2015, Report N25, p 24

<sup>44</sup> Lacy D., Niou E. S., “A Theory of Economic Sanctions and Issue Linkage: The Roles of Preferences, Information, and Threats”, *The Journal of Politics*, Feb. 2004, Vol. 66, No. 1, p. 27

<sup>45</sup> Haass R. N., “Sanctioning Madness,” *Foreign Affairs*, November-December 1997, Vol. 76, No. 6, p. 75  
(see also Galtung J., “On the Effects of International Economic Sanctions, with Examples from the case of Rhodesia”, *World Politics*, April 1967, Vol. 19, Issue 3, p. 409; Lindsay J. M., “Trade Sanctions as Policy Instruments: A Re-examination,” *International Studies Quarterly*, 1986, Vol 30, Issue 2, p. 155; Morgan T. C. and Schwebach V. L., “Fools Suffer Gladly: The Use of Economic Sanctions in International Crises”, *International Studies Quarterly*, 1997, Vol 41, N 1 p. 46; Pape R. A., “Why Economic Sanctions Still Do Not Work,” *International Security*, Summer 1998, Vol. 23, No. 1, p. 66)

<sup>46</sup> Hufbauer G. C., Schott J. J., Elliot K. A., Oegg B., *Economic sanctions Reconsidered*, 3rd edition, Washington, D.C.: Peterson Institute for International Economics, 2007, p. 43

<sup>47</sup> Baldwin D. A., “The Sanctions Debate and the Logic of Choice”, *International Security*, Winter 1999, Vol. 24, No. 3, p. 80

<sup>48</sup> *Ibid*, pp. 106-107

continued that in the most cases, despite the key role of costs to estimating success, the definition of success is thoroughly connected with the effectiveness of sanctions in achieving certain goals.<sup>49</sup> The other, so-called “secondary” purposes of sanctions (such as punishment, symbolism and so on) are pushed into the background and the main focus of the debate regarding the effectiveness is on whether they are able to empower the sender to attain its goals of changing the behavior of the target. But even the sanctions fail to achieve their initial goals, it does not mean yet that sanctions are totally ineffective since they can achieve other purposes. Sanctions can be accounted successful, according to R. Pape, if they satisfy three main criteria: if the target complied with sender’s demand considerably; if economic sanctions are threatened or employed before changing the target’s behavior, and if there is no more convincing, an alternative interpretation of the target’s changing behavior.<sup>50</sup> The further explanation of this argument is more precisely given by D. Drezner who gives two understandings of the distinction between success and failure. First, he claims the degree of success should be considered in terms of the size of the agreed concessions comparative to the status quo, and not comparative to the sender’s original demand. Second, it also depends on the type of demand.<sup>51</sup>

The key argument in the literature about the effectiveness of sanctions achieving ambitious foreign policy goals is the empirical study firstly published in 1985 by C. Hufbauer, J. Schott, and K. A. Eliot. In their study, they view the success of economic sanctions as a composition of two components: the policy result and the sanction contribution. The degree to which the sender’s policy goals are attained is measured via policy result, and the degree to which sanctions invested in that outcome is measured via sanction contribution.<sup>52</sup> However, the success rate mainly depended on the type of policy or governmental change sought. This means that success is relative and depends on the goals that are being pursued through the

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<sup>49</sup> Ibid, p. 87

<sup>50</sup> Pape R. A., “Why Economic Sanctions Do Not Work”, *International Security*, Fall 1997, Vol. 22, No. 2, pp. 93-97

<sup>51</sup> Drezner Daniel W., *The Sanctions Paradox: Economic Statecraft and International Relations*, New York: Cambridge University Press, 1999, pp. 18-19, 68.

<sup>52</sup> Hufbauer G. C., Schott J. J., Elliott K. A., Oegg B., *Economic sanctions Reconsidered*, 3rd edition, Washington, D.C.: Peterson Institute for International Economics, 2007, p.49

imposition of sanctions. This is further elaborated by the same authors who argue that nature of goals matters, since if the goals are comparably modest (for example, freeing political prisoners), then sanctions have a far higher possibility of investing in successful outcomes. The “modest change” refers to policy goals that do not threaten the government in power or its military capability.<sup>53</sup> According to them, the statements in the literature that “sanctions never work” is obviously wrong and there are several explanations for it: firstly, in some cases, the security, political or other costs related to sender’s demand may plainly higher than any pain inflicted by imposed sanctions. In other cases, sanctions can do not work even to achieve relatively modest policy goals when they are extremely weak. Secondly, sanctions are classified as failing to generate any change in the target’s behavior when they have already realized their initial goal such as demonstrating resolve at home or signaling disapproval abroad. Thirdly, sanctions sometimes fail since the target and sender have cross-cutting economic and security interests, conflicting goals in their overall relations, leading to sender’s equivocal signals to policy resolve.<sup>54</sup> As this discussion shows, measuring the success of sanctions is particularly difficult as it is not possible to define a priori what the sanctions are to achieve. One of the reasons that there are such discords in the success valuation of sanctions is the lack of clearly established objectives. In this study, the successful sanctions are defined in terms of changing behavior of the target, more precisely, extracting political concessions from the target state. Since in this case, Russia’s demands are clearly formulated and concessions in Turkish foreign policy are visible, the objective of sanctions examined by me can be measured. In the remainder of this chapter, I am going to outline the conditions under which economic sanctions will be effective, generating an intended change in the target country’s policy.

The conventional sanctions “theory” of how sanctions are assumed to work presumes that political behavioral change is strictly proportional to economic pain. The greater the economic pain of sanctions, the higher likelihood of political compliance.<sup>55</sup> According to this

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<sup>53</sup> Ibid. p. 66

<sup>54</sup> Ibid. pp 158-160

<sup>55</sup> Drury A. C., *Economic sanctions and presidential decisions, models of political rationality*, Palgrave MacMillan, New York 2005, pp.18-19

theory, civilians in the target state have the capacity to readdress and transfer economic pain to government and, moreover, to coerce them to change their policy. However, the conventional wisdom theory does not define the methods and conditions, under which sanctions become more costly, but it is given that the effectiveness of sanctions requires additional domestic and international political factors as well. Using a qualitative case-study approach, Jean-Marc F. Blanchard and N. Ripsman concluded that magnitude of economic pressure does not play a crucial role for generating concession by argumentation that without political costs there is no serious reason for the target to do that.<sup>56</sup> This means that economic pain has to turn into a political pain in order to make sanctions effective. On the contrary, T.C. Morgan and V. Schwebach have used a bargaining model for observing sanction effectiveness and they concluded that the infliction of economic pain is an indispensable condition for success, but it must be directed to the ruling coalition. Moreover, for achieving any changes, economic sanctions must be politically costly relative to the issue at stake between the target and the sender.<sup>57</sup> According to them, there are two conditions which influence the effectiveness of sanctions: first, high costs to the target augment effectiveness, and, second, high costs to the sender lessen effectiveness. Ineffectiveness of sanctions they explain through the severe conditions for achieving success, specifying only the matter of costs, not examining all possible conditions, which might contribute to the effectiveness of sanctions. J. Galtung argues against conventional wisdom theory in his study which indicates that economic sanctions often fail due to the economic pain causing the population. Moreover, he called it “naive theory” of sanctions considering that the impact of economic sanctions is not mandatory to turn into political impact since there are no straightforward “transmission mechanisms”.<sup>58</sup>

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<sup>56</sup> Blanchard Jean-Marc F. and Ripsman N., “Asking the Right Questions: When Do Economic Sanctions Work Best?” *Security Studies*, 1999, Vol. 9(1/2), pp. 219–253

<sup>57</sup> Morgan, T. C. and Schwebach V., “Fools Suffer Gladly: The Use of Economic Sanctions in International Crises”, *International Studies Quarterly*, 1997, Vol. 41, pp. 27-50

<sup>58</sup> Cortright D. and Lopez G. A., “Sanctions and Incentives as Tools of Economic Statecraft,” in Raimo Väyrynen (ed.), *Globalization and Global Governance*, (Lanham, Maryland: Rowman & Littlefield Publishers, Inc.), April 1999, pp. 111-116

On the severity of pain inflicted by sanctions or the translation of economic costs into political costs, J. Galtung and A. Cooper stress the pivotal role of vulnerability in studying the effectiveness of sanctions.<sup>59</sup> In order economic sanctions to work, the sender must possess its economic resources of favorable asymmetric economic interdependence, since it has a capacity to affect on final results. The high economic interdependence (the asymmetric interdependence), according to R. Keohane and J. Nye, is an origin of potential power to manage resources and they can be measured through “sensitivity and vulnerability”. Sensitivity assumes the levels of reaction in the framework of a policy. In other words, how rapidly the changes in one state lead to costly changes in another and how high are the costly impacts. In turn, vulnerability is depicted as relative accessibility and expensiveness of the options that different actors encounter. In other words, sensitivity is applied to portray the pressures encountered by diverse state actors due to other’s actions, meanwhile, vulnerability is how open are their alternatives to shifting the processes and their own structure to fit their requirements.<sup>60</sup> This means, under the condition of pre-sanctions high trade linkages and no possibility to find alternative markets (i.e. the substitutes of critical goods from other countries), sanctions become an effective tool for achieving target’s policy changes. The role of vulnerability means that the success of Russian sanctions against Turkey would depend on the level of vulnerability and they played a decisive role in achieving foreign policy concessions.

From the public choice viewpoint, the smart sanctions are more effective since they are designed to harm selectively the certain groups, such as ruling coalition. The more central government is under direct economic pain, the higher chances to effectively influence their policies. Furthermore, domestic politically and economically unstable target will more keen on complying with the sender’s demands. Besides, the smart sanctions work more effectively since the impact of the advocates of a given policy is diminished over time. J. Krishner distinguishes two key questions decisive for the outcome of sanctions: firstly, in which terms

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<sup>59</sup> Galtung J., “On the Effects of International Economic Sanctions: With Examples from the case of Rhodesia”, *World Politics*, April 1967, Vol. 19, Issue 3, pp. 385-386; Drury A. C., *Economical sanctions and presidential decisions, models of political rationality*, Palgrave MacMillan, New York 2005, pp. 48-50

<sup>60</sup> “Disparities in Sensitivity and Vulnerability in the Liberal System”, *The Meridian Journal*, 2014, <https://lcmeridianjournal.com/2014/11/16/disparities-in-sensitivity-and-vulnerability-in-the-liberal-system/>

the economic sanctions will directly hit the target and, secondly, which certain groups they will impact. Therefore, how sanctions support or impede the work of opposition groups of the target will be the measures for the effectiveness of sanctions.<sup>61</sup> According to J. Galtung, sanctions (value-deprivation) have an exclusive potential to further political integration in the target state instead of disintegration, inducing so-called “rally-around-flag” effect,<sup>62</sup> which in turn, firm the resistance to economic pressure. Put it simply, “rally-around-flag” effect is that when sanctions are comprehended by the residents as a common outward threat and when the leaders of target state try in such way to unite the population and augment the popularity of the current regime. In this regard, R. Pape argues, “Even in the weakest and most fractured states, external pressure is more likely to enhance the nationalist legitimacy of a ruler than to undermine it”.<sup>63</sup> In order to cause a shift of objectionable policy the rally around flag effect should be minimized. Specifically, financial sanctions have a great tendency to minimize the rally-around-flag effect and they are considered as a much more effective coercive tool.

According to Hubfauer-Schott-Elliott-Oegg approach, the maximum effectiveness of sanctions is determined also by the scope and type of sanctions, how they are imposed, whether there is high trade flows for the target due to asymmetric interdependence, as well as in which political and economic atmosphere the sanctions are imposed. They concluded that the financial sanctions are less costly to the sender and more effective than the trade control (export and import), also unilateral sanctions are more effective than multilateral sanctions, since according to the authors, the more countries need to employ sanctions and the more sanctions are long-lasting, the more difficult is to preserve an effective coalition. Besides, in order not to give a big chance to the target to adjust to the new situation during that period, such as finding alternative suppliers, building new alliances and mobilized

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<sup>61</sup> Kirshner J., “The Microfoundations of Economic Sanctions”, *Security Studies*, Spring 1997, Vol. 6, No. 3, pp. 41-50

<sup>62</sup> Galtung J., “On the Effects of International Economic Sanctions: With Examples from the case of Rhodesia”, *World Politics*, April 1967, Vol. 19, Issue 3, pp. 388-393

<sup>63</sup> Pape R. A., “Why Economic Sanctions Do Not Work”, *International Security*, Fall 1997, Vol. 22, No. 2, p. 107



domestic opinion in support of its policies, the sender should impose economic sanctions quickly and decisively with maximum severity. According to their empirical analysis, if the volume of trade between the sender and target is commonly twenty-five percent of the target's total trade then the effectiveness of sanctions can be guaranteed. Moreover, if the target is economically unhealthy and politically unstable (i.e. high unemployment, rampant inflation coupled with substantial internal dissent, etc.) then the effectiveness of sanctions are high.<sup>64</sup> Besides, the regime type also plays a significant role in the successful outcome of economic sanctions since the risk of manipulation of citizens by the leaders of an authoritarian regime is quite high. According to R. Hass, there are three possible reasons of withstanding of the effects of economic sanctions by authoritarian states: a. possible rally around the flag effect, b. setting up the condition of a deficit, in order to manage the allocation of goods more effectively by the government, and c. they produce a general deceptive image of capability to preserve political control.<sup>65</sup> This means democratic governments are more vulnerable to the effects of sanctions since the electorate can punish them for incurred costs and the number of protests in democratic regimes is incomparably high than in autocratic regimes, leading authoritarian incumbents to increase their repression to suppress popular dissent in an effort to stabilize regime at all costs.<sup>66</sup> The authoritarian regimes can easily find the way to resist the impact of sanctions by simply passing the costs of sanctions.

From the signaling viewpoint, economic sanctions cannot succeed alone and for becoming effective they should be merged with primary military threats. The solid argument is that sanction success is the outcome of an implicit military threat, and economic sanctions are not an authentic motive of political concessions, but they are simply a noticeable signal of military power or threat. The main predictions of signaling approach, such as the sender's cost and a threat to use a force, should be positively correlated with concession size are not supported statistically. In contrast, the success of sanction effectiveness, according to D. Drezner, depends on the expectation whether the sender and target anticipate military conflict

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<sup>64</sup> Hufbauer G. C., Schott J. J., Elliott K. A., Oegg B., *Economic sanctions Reconsidered*, 3rd ed., Washington, D.C.: Peterson Institute for International Economics, 2007, pp. 56-124

<sup>65</sup> Haass R. N., "Sanctioning Madness", *Foreign Affairs*, Nov.-Dec. 1997, Vol. 76, No. 6, p. 80

<sup>66</sup> Wood R. M., "A Hand upon the Throat of the Nation: Economic Sanctions and State Repression, 1976-2001", *International Studies Quarterly*, September 2008, Vol. 52, Issue 3, pp. 489-513

in the future.<sup>67</sup> In more distilled terms, the required precondition for economic sanctions to generate significant concession is the absence of conflict expectations. His conflict expectation model is a substantive contribution to economic sanction literature, which frames how the conflict expectation affects on the target's willing to make concessions and to what extent (*see figure 2.1*):

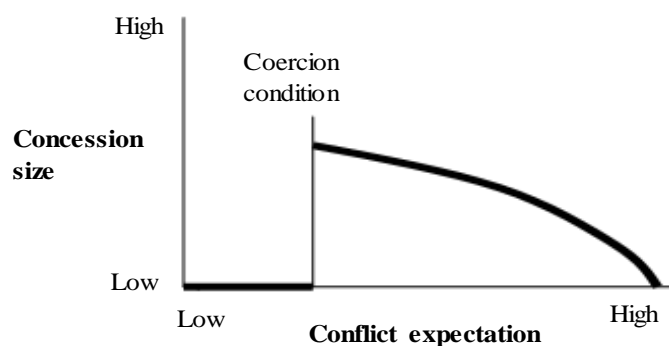


Figure 2.1. The effect of conflict expectations on concession size

Source: Daniel W. Drezner, *The Sanctions Paradox: Economic Statecraft and International Relations* (New York: Cambridge University Press, 1999), p. 46.

If the sender and target are adversaries then the target will be more resistant to concede under the pressure of economic sanctions, since it will be viewed by the target as a delivery of political leverage to the sender. “States are concerned about relative gains due to a possibility of today’s concessions becoming tomorrow’s leverage”.<sup>68</sup> Besides, states care about reputation as well, since “(c)onceding in the present will damage their reputation in the future interactions”.<sup>69</sup>

This means that the target might have two political concerns: “relative gains and reputation”.<sup>70</sup> If the sender and targets are an ally, then the relative gains and reputation concerns will become less important since the target foresee minimum conflict in the future. In this case, the target will more focus on direct costs and benefits of a deadlock than any

<sup>67</sup> Drezner Daniel W., *The Sanctions Paradox: Economic Statecraft and International Relations*, New York: Cambridge University Press, 1999, pp. 113, 122

<sup>68</sup> Ibid.p. 30

<sup>69</sup> Ibid. p. 35

<sup>70</sup> Ibid., pp. 27-35

transfer of political leverage which will result in concession more for escaping from the costs of a stalemate. Therefore, if the target and sender are more close to each other, then the target's concession will increase, but in case of adversarial relationships, there should be a large gap in costs for sanctions even to cause moderate concessions. D. Drezner's conflict expectation model, which has been supported by solid empirical data, makes two main findings of the sanctions effectiveness. First, the greater the gap between the senders and targets costs, the greater the targets concessions. Second, the magnitude of the targets concession will augment if the target and the sender predict few political conflicts in the future. Nevertheless, if the sender's demand is more than rational possible concession and cannot be agreed, then the result is stalemate which means it is impossible to elicit any concession from the target. For the case of Russia-Turkey sanctions, this means that the stalemate was excluded since the demand by the Russian president was rational. Besides, there was enough tremendous economic pressure on Turkey due to the large gap in costs and the probability of military conflict expectation between "strategic partners" were extremely low which means that economic sanctions were able to generate concessions.

Basically, abovementioned discussions lead to the argument, that success is not only dependent on imposed costs but that the effect of imposed costs is mediated by levels of vulnerability. Low vulnerability resulting in decreased chances of success, high vulnerability resulting in increased chances of success. This assumes that "the greater degree of severity, the greater chances to succeed" model does not work directly. Domestic instability and isolation activated economic sanctions to the level to generate concession. In other terms, they granted economic sanction the real political power for producing concession. Hence, the conditions mediating the degree of severity play a crucial role in determining the outcomes. On this basis, it can be expected that the more politically vulnerable the target country, the more effective are economic sanctions. The thesis is focused on discerning the certain condition which makes sanctions (economic pain) political coercive tool in order to extract concessions.

### 3. Methodology

The main objective of this research is to identify which factors led Turkey to make concessions to Russia, a foreign policy turnaround which then paved the way for the consequent normalization of relations between the two countries. The overarching research question this study pursues, therefore, can be stated as: **Under which conditions do sanctions lead to the intended change in foreign policy of the target country?** More specifically, this study investigates the factors behind Turkey's decision to make foreign policy concessions to Russia and to normalize relations in this way.

In the theoretical section above, I have formulated the hypothesis tying the effectiveness of sanctions to a vulnerability of the target country. In the following analysis, I am going to substantiate this claim empirically. I am going to argue that the change in Turkish foreign policy towards Russia was not a direct effect of Russian sanctions, but a result of the sanctions in combination with increased vulnerability of the country. Economic sanctions solely did not lead to the concessions, but sanctions became an effective tool only due to increased vulnerability caused by domestic instability and international isolation. In other words, the effect of sanctions is mediated by target country vulnerability. The hypothesis which will be tested in the following is: **The more vulnerable the target country, the more effective are economic sanctions.** Decisive for externally-induced foreign policy change is thus a target country's vulnerability to economic sanction. The effectiveness of economic sanctions increases with an increase in the vulnerability of the target country. Effectiveness means bringing about a foreign policy change. An increase in effectiveness, therefore, means to result in more foreign policy concession with the same intensity of sanctions in place.

In this section I will elaborate in more detail the methodological frames for the following study of the effectiveness of Russia's sanctions against Turkey, describing analytical tools, case selection, operationalization and the sources of data collection and the methods of data analysis.

### **3.1. Research design: a cross-temporal comparison**

The research design of current thesis is chosen Most-Similar-Systems-Design (MSSD), where cases share the similar characteristics but differ in the value of intervening variables, which, in turn, lead to a shift of effects of sanctions (i.e. foreign policy concessions, the outcome or dependent variable). More specifically, it is a cross-temporal comparison, which means that I scrutinize the effectiveness of Russia's sanctions against Turkey before and after the failed coup with the aim of extrapolating the causal link between the economic sanctions, along with the level of vulnerability, and foreign policy concessions. Compared with pure statistical analysis, the method of a comparison of few countries is better at casual explanation, since it gives a chance to more closely to scrutinize contextual factors and identifies not only the causality but also uncovers potential intervening variables. Our goal of usage MSSD is to test the mediating role of the intervening variable on the impact of independent on dependent variable while keeping external variance constant across cases. The best option for doing it is an application of a cross temporal-comparison. "An alternative way of maximizing comparability is to analyze a single country diachronically."<sup>71</sup>

In the time-period under observation, all factors remain stable – except target country vulnerability, which, in the case of Turkey, drastically increased in the aftermath of the attempted coup. The time period that will be covered by this thesis is during the span of 2015-2016 which conditionally divided into two periods: (case 1) before the attempted coup, starting from the imposition of sanctions until the attempted coup, and (case 2) after the attempted coup until the normalization of relations. The second case I look into is post-coup since sanctions, in essence, remained in place, but the outcome drastically changed from no concessions to concessions. In order to explain this puzzle, the mediating role of vulnerability is brought into view. In this way, pre and after coup periods will give me a chance to study the relevance of vulnerability for the effectiveness of sanctions. Put it simply, the variation of the intervening variable- the level of vulnerability (high/low) activates or deactivates the effect of sanctions. In case of high vulnerability, it aggravates the pain from sanctions leading

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<sup>71</sup> Lijphart A., "Comparative politics and the Comparative method", *The American Political Science Review*, Sept. 1971, Vol 65, No 3, p. 689

to variation in the effects of sanctions, more precisely, to foreign policy concession. Therefore, even when the independent variable remains constant, which means sanctions are in place before and after the coup attempt, the outcome of sanctions differs, because there is a change in the value of the intervening variable – vulnerability.

The current thesis has chosen to use small-N comparative analysis since the matter of the economic sanctions' coercive power resulting in foreign policy concession is extremely difficult to analyze in a large-N study. Firstly, I have an insufficient amount of cases for a proper large-N statistical research and, secondly, there are many context-dependent criteria meeting of which is a great challenge and, thirdly, it would require much more resources that currently available. The main advantage of choosing the method of a comparison of few countries A. Lijphart presented in the following way: "Given inevitable scarcity of time, energy, and financial resources, the intensive analysis of few cases may be more promising than the superficial statistical analysis of many cases".<sup>72</sup>

One shortcoming of small-N design is that probability of making broad empirical generalizations is extremely low. However, I start my research with a strong hypothesis, which means that my theory-confirming analysis of cross-cases are already within the framework of established generalizations and which can be useful for improvement of the theory. Despite the abovementioned limitations, they do not undermine the merits of a small-N comparison method and it continues to remain the best method for achieving the aims of the present study.

### **3.2. Case selection**

The choice has been made to conduct a small-N comparative study. An MSSD design is adopted since the contextual terms are pertinent to the phenomenon this thesis is pursuing to scrutinize. In order to reveal the importance of vulnerability for the effectiveness of sanctions, this study conducts a cross-temporal comparison of the effectiveness of Russian sanctions against Turkey before and after the coup attempted in Turkey. The selection of cases takes into account mainly the value of explanatory factors in our case, the independent variable

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<sup>72</sup> Ibid., p. 685

(i.e. economic sanctions) along with intervening variable (i.e. a level of vulnerability). The aim is to demonstrate that ultimately, it is variation in the intervening variable which causes the variation of the outcome, and all other factors are kept constant, that could possibly explain the outcome. For evaluating the success of economic sanctions, it is important firstly to classify cases according to the type of foreign policy objective. By exercising the comparison, it is possible to examine the role of different factors and eventually assess the effect of the independent variable, mediated by the intervening variable, on the dependent variable.

The basic guideline for choosing cases for doing comparative analysis is the following: “(t)o include a set of cases that vary both with respect to the hypothesized casual conditions (variables) and with the respect of outcome of interest. At the same time, cases should remain similar in terms of possible alternative explanatory conditions or contextual variables that can moderate how the main effects work”.<sup>73</sup> In our case, all control variables remain constant and even they have changed marginally they could not account for the observed change in the outcome. The case comparison compares two periods before and after the failed coup to provide the comprehensive analysis of both. The case selection offers the opportunity to compare the two and make conclusions about the relevance of the examined factors. In the first case, the economic sanctions occur together with a low level of target-country vulnerability and do not lead to a foreign policy change; in the second case, (the same level of) economic sanctions occur together with a high level of vulnerability and lead to foreign policy change.

The cases are comparable insofar as they do not have any offsetting international assistance which can spoil the effect of sanctions in general, Also, I have taken into account the prior relations between sender and target, whether they are relatively close or antagonistic before imposition of sanctions. The case of Russia`s sanctions against Turkey is particularly insightful for studying the mediating effect of vulnerability on the effectiveness of sanctions,

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<sup>73</sup> Toshkov D., *Research design in political science*, New York, 2016, p. 279

because of the sudden and drastic change in the level of vulnerability of Turkey, which allows to more clearly observe/discern how the intervening variable affects how economic sanctions lead to concessions.

In natural setting there are few cases that are sufficiently similar and would be comparable, meeting abovementioned all those criteria. For that reason, instead of finding two truly similar cases which “can be comparable in all ways except for one”<sup>74</sup> I have divided our case into two subcases which give us not only a chance to keep constant control variables but also find the variable that varies across cases and can be thus identified as responsible for different outcomes, in our case for foreign policy concessions. Such kind of design best suits our research task for testing the proposed hypothesis. It is worthy to remind that one of the main reasons why most of the scholars consider economic sanctions ineffective is that the requirements towards effectiveness are extremely stringent.

### **3.3. Operationalization of variables**

In this section, a set of indicators that are used to measure independent, intervening and dependent variables is presented.

The independent variable is defined as “economic sanctions”. The intervening variable is defined as “vulnerability.” The dependent variable is defined as foreign policy concessions.

***(IV) economic sanctions ---- (intervening variable: “vulnerability”) ----> DV foreign policy concessions***

In this way, this study proposes a refined understanding of the workings of sanctions. It follows the literature on the maximum effectiveness of sanctions which are able to change the foreign policy of the target country. Instead of postulating a direct effect between sanctions and foreign policy behavior, it suggests the vulnerability of the target country as the decisive criterion for the effectiveness of sanctions. Under the condition of high vulnerability, such as domestic instability and international isolation, that economic sanctions lead to foreign policy concessions. In other words, what explains turnaround is domestic

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<sup>74</sup> Gerring J., *Case study research: principles and practices*, New York, 2007, p. 131



instability and international isolation intensified Turkey's "vulnerability" to a high level and made it more susceptible to economic pressure.

For measuring the sanctions I will present (a) the legal framework for the sanctions and (b) which economic effects they had. So, our independent variable will operationally be defined in quantitative terms. For presenting the presidential decrees, and the Russian Government's executive orders concerning the legal framework of sanctions I will use the data from the official website of the President and, respectively, of the Government. Besides, for showing economic effects, I need the statistical data on tourism flows, trade volume which I will gather from the Russian Federation Customs service, Turkish Statistical Institute, Worldbank database and the analytical centers' reports. There are different ways how to measure economic sanctions. Precisely measuring the economic effects of economic sanctions is a pure economic issue, and I am not going to deepen in econometric models and matrix which is out of the scope of our research. I am more interested in the political outcome of economic sanctions. So, my measurement will be limited to using and comparing already processed official statistical data, and estimations by experts are also taken into account.

In general, measuring the effectiveness of sanctions is quite hard and an ongoing debatable issue in the literature, since it includes different political, legal and economic complex variables. But I am going to deal with more clearly defined task, since, the outcome-foreign policy concession consists of actions which are quite visible and consequently, they are measurable. The indicators measuring the foreign policy concessions are (a) one-sided symbolic measures such as the Turkish president's official letter of apology, (b) compensation for damages, (c) punishment those who are responsible for killing the Russia pilot and (d) substantive measures such as reformulation of Turkish foreign policy in Syria, in particular, firstly stopping any support to "terrorists" and rebels fighting in Aleppo, and, secondly, readiness to engage in a renewed dialogue over accommodating its stances with Russia over Syrian crisis regulation. In principle, the demands of a sanctioning country can vary, but in this case, abovementioned things counted as foreign policy concessions, since those are the main demands which the Russian President required from Erdogan for starting a dialogue between two countries. One of the main sources of information, in this case, is the press releases taken from the official websites (presidential, governmental and Ministry of

Foreign Affairs), official statements done during the visits, the interviews given by political leaders for different media channels. Although the reliability is increased by using official sources, however, they mainly provide a formal picture. For that reason, the other data sources chosen are the investigate news which is more informative and gives a much more comprehensive picture about the informal nuances of the policy changes under certain circumstances.

The indicators of measuring the level of vulnerability (intervening variable) are domestic instability and international isolation. In turn, domestic instability is measured by growing number of terrorist attacks, a new circle of Turkey's PKK conflict, the attempt to unconstitutionally topple the government, such as the failed coup, following three-month state of emergency, large-scale purges and international isolation via condemnations by partners and emerging political issues with them. International isolation is measured by statements and documents, the reports of International organizations about the state of the country after the failed coup and leading media outlets will be used as the sources of data for presenting the emergency situation in Turkey and how it is resonated at international political agenda.

#### **4.1. Analysis: Assessing the effectiveness of Russia's sanctions against Turkey**

After shooting down Russian jet near the Syrian-Turkish border on November 24, one of the first countermeasures of the incident was decision by Russian President Vladimir Putin to deploy air-defense S-400 missiles to Russian airbase in Latakia for easily destroying any Turkish target posing any threat to Russian aircrafts and it is also ordered to further bombing operations in Syria to accompany by fighter escorts and since that the missile-cruiser Moskva started to patrol in shore-waters near the Turkish-Syrian border.<sup>75</sup> The next countermeasure to impose economic sanctions was done by signing the decree by the President after four days of the incident on special economic measures against Turkey. In his annual address to the Federal Assembly Russian President stressed that Turkey will “regret more than once” downing Russian jet and heightened the shrill tone of speech saying “If they think that after committing heinous war crimes and murdering our people they will get away just with tomatoes and restrictions and other industries, they are deeply mistaken”.<sup>76</sup> It has been the first downing of a Russian military plane by a NATO member for more than a half-century which provoked Kremlin's fury since the reputation of great power status was humiliated. The Russian-Turkish relations were subjected to the serious crisis which was a remarkable sign of Turkish geopolitical turnaround.

The main legal background of imposing a set of economic sanctions is the presidential Executive Order N583 called “On Measures to ensure national security of the Russian Federation and protection of citizens of the Russian Federation from criminal and other Illegal actions and on the application of special economic measures with respect to the Republic of Turkey” and adopted on November 28.<sup>77</sup> After a month some amendments were introduced by Executive Order N669 to the main decree, specifying the extended scope of

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<sup>75</sup> “Russia deploys S-400 and moves guided-missile cruiser off Latakia to protect its jets near Turkish border”, *The Aviationist*, Nov 25, 2015 <https://theaviationist.com/2015/11/25/all-the-weapons-sensors-moskva/>

<sup>76</sup> *Presidential Address to the Federal Assembly*, Dec 3, 2015  
<http://en.kremlin.ru/events/president/news/50864>

<sup>77</sup> *Executive Order of the President Vladimir Putin N583*, Nov 28, 2015  
<http://en.kremlin.ru/events/president/news/50805>

already determined sanctions.<sup>78</sup> The main decree was immediately followed by the Resolution N 1296 adopted by the Russian Government on measures of implementation the presidential decree.<sup>79</sup> According to the Presidential Executive Order and the Governmental Resolution N 1296 the following measures are imposed:

1. The Russian government imposed an embargo on certain products of Turkish origin, especially fruits and vegetables, poultry, flowers, salt, and others.

2. Starting from 2016, employers and contractors who are under the jurisdiction of Russia are prohibited from employing Turkish citizens in Russia. However, the Russian government adopted Resolution N 1458 where is listed 53 companies' names as exemptions which can go on employing Turkish citizens.<sup>80</sup> The organizations subjected to the jurisdiction of Turkey and also the organizations controlled by Turkish citizens are prohibited from carrying out certain activities in Russia. The list of certain types of works (services) which are prohibited in the territory of RF is approved via separate Resolution N1457 adopted by the Russian Government. The restrictions include the following areas "a. construction of buildings, construction of engineering and special construction works, b. activities in the area of architecture and engineering design, technical testing and research, and analysis, c. activities of travel agencies and other organization providing services in the tourism sector, d. operation of hotels and other places of temporary residence, e. works and services for the state and municipal needs, f. processing of wood".<sup>81</sup>

3. The Russian Government has prohibited charter flights to Turkey since December 2015.

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<sup>78</sup> *Executive Order of the President Vladimir Putin N 669*, Dec 28, 2015

<http://www.kremlin.ru/acts/bank/40335>

<sup>79</sup> *Resolution N1296 adopted by the Russian Government*, Official Internet Portal of Legal Information (Russian Federation) Dec 01, 2015, <http://publication.pravo.gov.ru/Document/View/0001201512010026>

<sup>80</sup> *Resolution N1458 adopted by the Russian Government*, Official Internet Portal of Legal Information (Russian Federation), Dec 30, 2015,

<http://publication.pravo.gov.ru/Document/View/0001201512300040?index=5&rangeSize=1>

<sup>81</sup> *Resolution N1457 adopted by the Russian Government*, Official Internet Portal of Legal Information (Russian Federation) Dec 30, 2015 (translated by the author from Russian)

<http://publication.pravo.gov.ru/Document/View/0001201512300053?index=2&rangeSize=1>

4. From 1 January 2016, the visa-free travel agreement has ceased which means that Turkish citizens have no right to travel to Russia without visa anymore. The exceptions are Turkish citizens with Russian residence permits or with diplomatic passports.

5. Supervision has increased significantly over air, sea, road transportation. The control over sea transportation companies operating in Azov-Black Sea basin has strengthened. Also, the Russian permits for international road transportation have been lessened significantly.

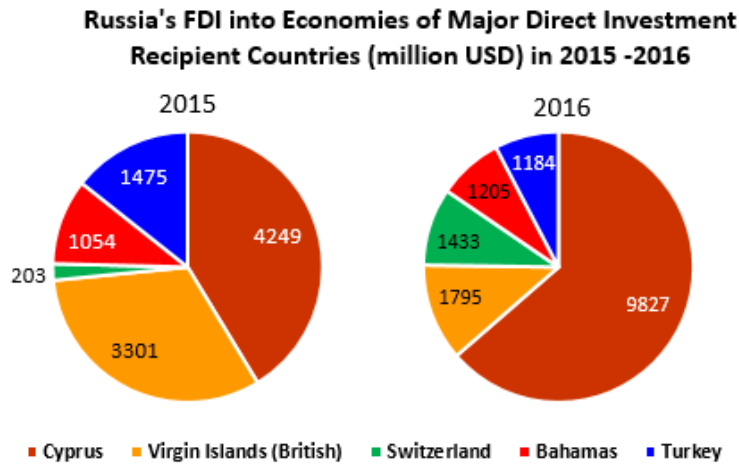
6. The activities on the commercial-economic cooperation of “The Joint Intergovernmental Russian-Turkish Commission on Trade and Economic Cooperation” which has operated since 1992 has been suspended. Also, the Government appointed The Ministry of Economic Development of the Russian Federation to suspend negotiation process with the Turkish side about “The bilateral Agreement on Trade, in Services and Investments” , “The Middle-term program for economic, trade, scientific, technical and cultural cooperation for 2016-2019” and about “Formation of the Joint Fund for Financing Investment Projects in Russia and Turkey.” This means that the joint commercial and economic activities at the governmental level between two countries has been suspended. Russia claims that those sanctions are proportional and in accordance with international law. From the Turkish perspective, it is not for the first time, when Russia violates the Turkish airspace during bombing operations in Syria and the incident is the justified response of violation of another law.

Turkey’s economy is intertwined with Russia through different major channels. In other words, “where geopolitics tended to divide Turkey and the Russian Federation, geo-economics pushed them to cooperate”.<sup>82</sup> Therefore, the economic sanctions Russia imposed in response to the downing of Russian jet can be expected to negatively affect Turkish economy. In other words, one can expect the sanctions to cause “economic pain”. Below, I am going to show the impact of economic sanctions on different sectors which are affected most. The impact of Russian sanctions comes from the importance of Russia as a trading

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<sup>82</sup> Trenin D., “Really Burying the Hatchet: Russia and Turkey find themselves on the same side”, *Insight Turkey*, April-June 2002, Vol. 4, No. 2, p 25

partner for Turkey. Turkey is the fifth largest investment recipient country for Russia, after Cyprus, Virgin Islands Switzerland, and Bahamas (*see figure 4.1*).



*Figure 4.1. Russia's FDI into Economies of Major Direct Investment Recipient Countries (million USD) in 2015-2016*

*Source: graph composed by author, data taken from Federal State Statistics Service (Russian Statistical Yearbook, page 307)*

In 2015, Russian foreign direct investments in Turkey were around 1.5 billion or 0.17 percent of Turkey's GDP in 2015. These does not include property-related investments. In 2016, Russia's direct investment in Turkey was around 1.2 billion and comparing with last year it was dropped by 291 million. In 2015 the Turkish investment consisted of 6,7 percent of total direct investment of Russia while in 2016 it didn't exceed 5,3 percent (*see figure 4.2*). Besides, there are several giant strategic projects between two countries, such as the construction of Akkuyu nuclear power plant by Rosatom and Turkish Stream pipeline which will supply Russian gas to Turkey, then to Europe bypassing Ukraine. Those are the most ambitious and investment requiring projects between two countries. The construction of Akkuyu power plant was initially estimated 20 billion USD. Due to political "pause", the negotiations over these constructions were frozen.

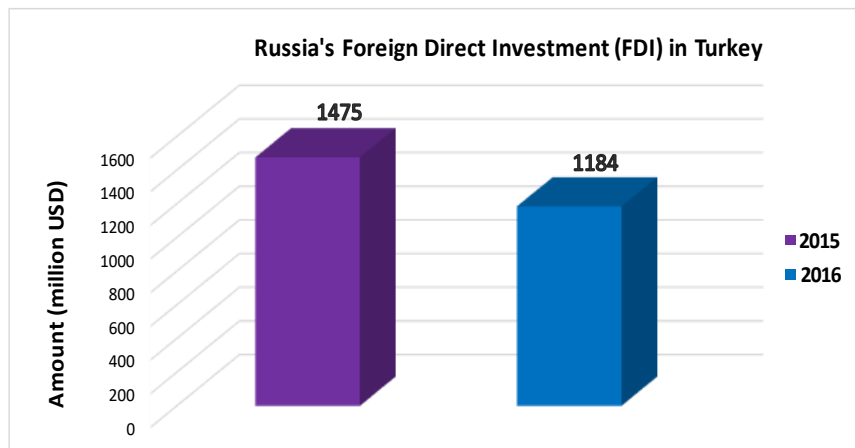


Figure 4.2. Russia's FDI in Turkey

Source: graph composed by author, data taken from Federal State Statistics Service (*Russian Statistical Yearbook*, p. 307)

Tourism and construction are the main sectors that are suffered by the commercial sanctions, since they are strongly linked the Russian market. Turkey, Egypt and Thailand remain the main preferable destinations for Russian tourists. According to the data of Ministry of Tourism and Culture of Turkey, the total number of tourist visiting Turkey in 2016 was reduced by 30 percent, reaching to 25.3 million tourists,<sup>83</sup> which is the lowest figure over past years. The main reason for this drastic drop was the increasing security problems in the country. Despite this, the number of Russian tourists dramatically decreased due to Russian sanctions against Turkey. In 2015, the number of Russian tourists visiting Turkey was 3.65 million people, while in 2016 it was 866 thousand people. This figure has lessened by 72.26 percent or more than four times in comparison with 2015 year (*see figure 4.3*). The number of Russian tourists makes up 10, 1 percent of the total numbers of tourist visiting in Turkey in 2015, while the number of 2015 makes up 3.4 percent in total.

<sup>83</sup> Official website of Ministry of Tourism and Culture of Turkey, [http://www.kultur.gov.tr/?\\_dil=2](http://www.kultur.gov.tr/?_dil=2)

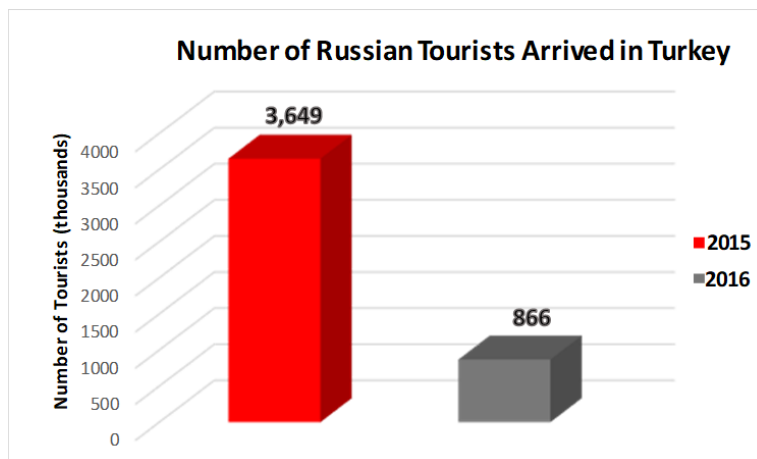


Figure 4.3. Number of Russian Tourists Arrived in Turkey

Source: graph composed by author, data taken from Turkstat

Consequently, the tourism revenues from Russian visitors also sharply dropped. In total tourism revenues were reduced by 9,34 billion USD in 2016 which is a significant decrease by the 29.7 percent of the past year (see figure 4.4). In 2015 the Turkish tourism sector gained revenues from Russian tourists with the amount of around 2.31 billion USD which constitutes 7.35 percent of the total amount. In 2016 this figure was dramatically decreased by 1.74 billion USD reaching to the level of 570 million USD. It represents 2.58 percent of the total amount of the same year. So, the negative impact of economic sanctions on tourism sector are apparently visible from the given estimations.

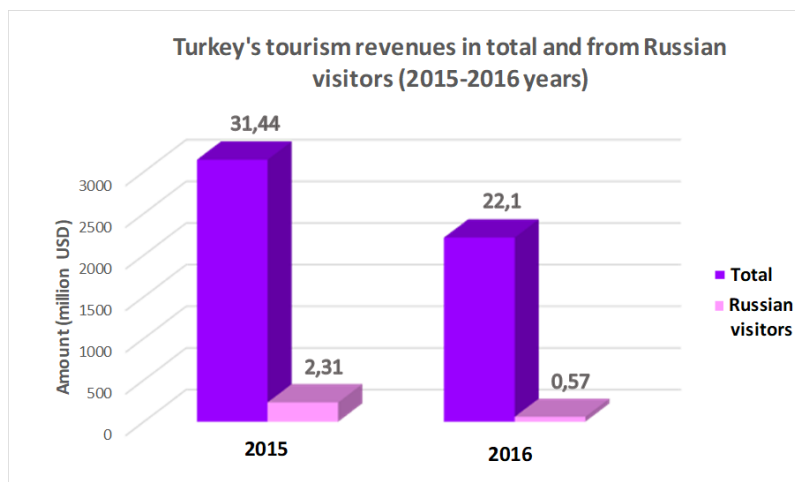


Figure 4.4. Turkey's tourism revenues in total and from Russian visitors (2015-2016 years)

Source: graph composed by author, data taken from Ministry of Culture and Tourism (Republic of Turkey)

[Link](#)



Russia has been the leading market for construction sector abroad for Turkey and it did not lose its importance even after the imposition of sanctions, despite the fact that Russian economic sanctions had a dramatic impact on the construction sector. According to data presented by Ministry of Economy of Turkey, in 2015 Turkish firms undertook the construction projects with the total value of 6 billion USD, which is the highest figure among other countries which counted for 26 percent of the total value of Turkish constructions projects. While in 2016, due to a sharp decrease in the number of construction projects Russia wasn't even among top ten countries.<sup>84</sup>

Russia is the third biggest import market for Turkey, after China and Germany and it is the main supplier of natural gas (1.Russia, 2. Iran, 3 Azerbaijan 4. Algeria, 5. Nigeria).<sup>85</sup> Currently' Turkey economy is highly dependent on Russia's natural gas and it counts more than 50 percent of the total natural gas imports. Turkey's political and business elites are not happy with this situation which is evaluated as the biggest portion of Turkey's trade deficit with Russia.<sup>86</sup> In 2015, Gazprom supplied 27.01 billion cubic meters of natural gas to Turkey and 24.76 billion cubic meters in 2015.<sup>87</sup> Despite this high dependency, Russia refrains from cutting gas delivers to Turkey since it could have a reciprocal impact on Russia's GDP as well. So, the main import items for Turkey continue to remain Russian natural gas and oil, iron and steel, other metals and grains. In 2015, Turkey's import from Russia made 20.4 billion USD while in 2016 it decreased by 5.2 billion USD or by 25.7 percent (*see figure 4.5*).

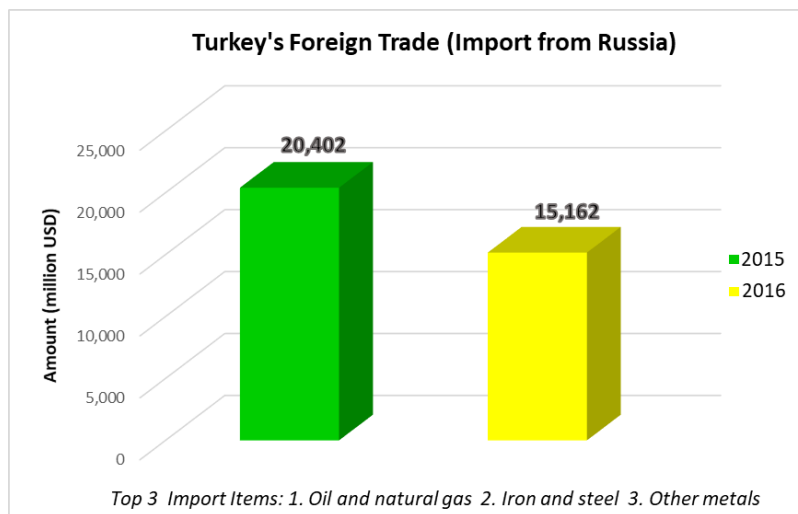
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<sup>84</sup> *Turkey's Contracting Services Abroad*, Turkish Contractors Association, March 2017, p.12  
[http://tmb.org.tr/doc/file/YDMH\\_march\\_2017.pdf](http://tmb.org.tr/doc/file/YDMH_march_2017.pdf)

<sup>85</sup> Senerdem E., "5 graphs Turkey-Russia economic relations", *BBC Turkey*, Nov. 25, 2015  
[http://www.bbc.com/turkce/ekonomi/2015/11/151125\\_turkiye\\_rusya\\_ekonomi](http://www.bbc.com/turkce/ekonomi/2015/11/151125_turkiye_rusya_ekonomi)

<sup>86</sup> Ward A., "Turkey's reconciliation with Putin spurs new power projects", *Financial Times*, June 26, 2017  
<https://www.ft.com/content/83be5fd4-4ad3-11e7-a3f4-c742b9791d43>

<sup>87</sup> Gazprom Export official website <http://www.gazpromexport.ru/en/statistics/>



*Figure 4.5. Turkey's Foreign Trade (Import from Russia)*

*Source: graph composed by author, data taken from Turkstat*

In turn, Turkey is among Russia's top five export partner in trade after Netherlands, China, Germany and Italy in 2015. Moreover, these two giant economic partners were going to triple the volume of their mutual trade by 2023, reaching to symbolic amount-100 billion per year.<sup>88</sup> In 2015, Turkey's export to Russia accounted for 9,8 percent of the total exports and 0.4 percent of Turkey's GDP, while in 2016 it accounted 7,6 percent of Turkey's total exports and 0,2 percent of its GDP. Due to Russia's embargo on Turkish products the amount of Turkey's export to Russia decreased 1,7 billion USD or more than two times compared with last year (*see figure 4.6*). Fruits and vegetables, textile products and motor vehicles are the main export items for Turkey to Russia. The sanctions also put upward pressure on import prices, contributing inflation to some extent. Russia had to find alternative import markets for fruits and vegetables among member- countries of Eurasian Economic Union.

<sup>88</sup> "Turkey aims for \$100bn trade with Russia by 2023 – Erdogan", *Russia Today*, Sep 23, 2015 <https://www.rt.com/business/316308-erdogan-putin-turkey-russia-trade/>

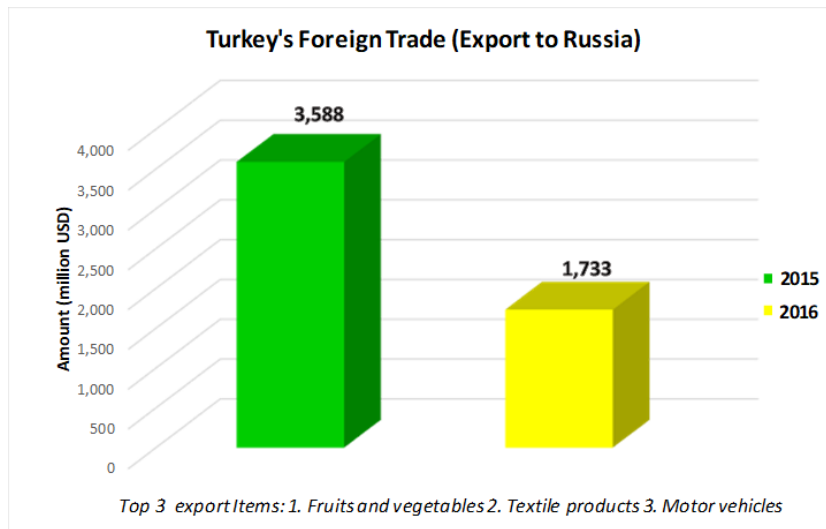


Figure 4.6. Turkey's Foreign Trade (Export to Russia)

Source: graph composed by author, data taken from Turkstat

What these figures show, these punishing measures of Russia mainly undercut Turkish export and it have dropped by 51.7 percent in 2016 in comparison with 2015. It had negative impact on the activities of Turkish companies operating in Russia and sharply reduced the number of Russian tourists in Turkey by 72.26 percent.

There are different calculations of the total cost of Russian sanctions by different experts and analytic centers. According to TEPAV's assessment, the (real) loss of Turkey's economy due to Russia's economic sanctions is \$2.3 billion to \$8.3 billion.<sup>89</sup> According to Bankasi, which is one of the biggest and prestigious financial institutions in Turkey, in the best scenario, Russian sanctions would cost 4.4 billion USD, in the worst scenario the losses will be 7.3 USD billion.<sup>90</sup> Immediately after imposition of sanctions, Turkish vice premier Mehmet Simsek announced that Ankara's losses from the tension with Russia would cost at 9 billion USD a year and in the worst case scenario, they would cost Turkey 0.4 percent of

<sup>89</sup> Sönmez M., "Cost of Russian crises continues to rise", *Hurriyet Daily News*, March 7, 2016 <http://www.hurriyetdailynews.com/cost-of-russian-crisis-continues-to-rise-96107>

<sup>90</sup> Demir E., "Possible implications of Russia's sanctions on Turkish economy", Analytic Report, *Bankazi*, Dec 2015, p. 3

its GDP.<sup>91</sup> However, the recently done calculations showed that the economic pain of sanctions cost Turkey's economy "at least \$10bn in tourism and trade revenue".<sup>92</sup>

Therefore, the Russian economic sanctions had a significant impact on the Turkish economy, even some sectors were almost paralyzed. However, as I am going to show in the following section, Russia's sanctions did not yet lead to a reversal in Turkish foreign policy towards Russia and they did not yet lead to Turkish foreign policy concessions.

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<sup>91</sup> *Interview with Turkish vice premier Mehmet Simsek*, NTV, Dec 9, 2015

<sup>92</sup> "Turkey's snuggling up to Russia is likely to hurt it", *The Economist*, Feb 16, 2017

<https://www.economist.com/news/europe/21717080-putin-and-erdogan-expect-different-and-contradictory-things-their-relationship-turkeys>

## **4.2. Turkey`s response to Russia`s sanctions**

### **4.2.1 Turkey`s response before the coup attempt: no concessions**

In this section the question is whether these sanctions have brought about foreign policy concessions, i.e. whether Russian sanctions as a coercive strategy leads to the desired change in Turkey`s foreign policy course, meaning that Turkey would give in to Russia`s demands. In this section, I look into Turkey`s response to the economic sanctions put in place by Russia in two periods: before and after the attempted coup. Tied to the economic sanctions were a number of demands Moscow made towards Turkey. Seeing whether Erdogan fulfilled the demands required by the Russian President allows assessing whether the sanctions were effective, that is whether they brought about the foreign policy change/concessions desired by the sender (Russia).

First, Moscow asked for an official apology. This demand was made on different occasions by the Russian ambassador in Turkey Andrey Karlov and by the Russian president. “We haven’t heard yet any clear apology, no proposals for compensation for damages, no promises to punish culprits for the crime they committed”,<sup>93</sup> told Putin the reporters, meanwhile accusing Turkish leadership of deliberately driving Turkish-Russian relations to a standstill. The reason why Putin refused many times to contact Erdogan was the unwillingness of the Turkish president to officially apologize. Erdogan’s official request for a personal meeting in the framework of upcoming Paris Climate Summit was also refused by the Russian President.

In response, Erdogan accused Russia of violation Turkish airspace and, according to Turkish authorities, the matter of apology should be on the political agenda of Russia, not on Turkish one. In an exclusive interview with CNN Erdogan announced: “I think if there is a party that needs to apologize, it is not us. Those who violated our airspace are the ones who need to apologize. Our pilots and our armed forces, they simply fulfilled their duties, which consisted of responding to ... violations of the rules of engagement. I think this is the essence”.<sup>94</sup>

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<sup>93</sup> “Russia: Putin says still no apology from Turkey over downed plane”, *Russia Today*, Nov 26, 2015 (translated by the author from Russian) <https://www.youtube.com/watch?v=e9M-loVR-Gc>

<sup>94</sup> *CNN’s Becky Anderson interview with Turkish President Recep Tayyip Erdogan*, Nov 26, 2015 <https://www.youtube.com/watch?v=2tZ1knk5v38>

Furthermore, in the meeting with community leaders in Ankara, Erdogan emphasized: “If the same violation occurs today, Turkey has to react the same way”.<sup>95</sup> Turkey assertively claimed that the plane had flown over the Turkish airspace for 17 seconds ignoring ten times warnings, although this argument was contested by the Russian side many times.

Although Erdogan took a robust position not to apologize, which means not to give in to Russian demands and it was Ankara’s right to defend its airspace, after some days of this speech the Turkish president softened his heated rhetoric a little, saying the episode had saddened him. The change in rhetoric was obviously noticeable in Erdogan’s interview given to France 24, where he claimed new argument that Turkish jets did not know that the SU-24 was a Russian jet, otherwise they would have acted differently and would solve the situation in another way.<sup>96</sup> However, the justifying expressions were not enough and could not be replaced by the official apology of Turkey which Russia had required. Instead, Turkish Foreign Minister Mevlut Cavusoglu declared: “We don’t need to apologize on an occasion on which we are right”,<sup>97</sup> but also mentioned that during the conversation with his Russian counterpart Sergei Lavrov: “We said on the phone that we are sorry”.<sup>98</sup> The same announced Turkish Prime Minister Ahmet Davutoglu during a press conference at the NATO headquarters in Brussels: “Protection of our airspace, our border is not only a right but a duty for my government and no Turkish premier or president will apologize (for) doing our duty”, and regarding the Russian sanctions Davutoglu continued: “We hope Russia will reconsider these measures in both our interests”.<sup>99</sup>

Second, Russian demanded to punish those who are responsible for killing the Russian pilot by conducting an objective investigation. In response to it, in April, the commander of the

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<sup>95</sup> “If the same violation occurs today, Turkey has to react the same way”, *ILKHA News Agency*, Istanbul, Nov 27, 2015 <http://www.en.ilkha.com/haber/612/if-the-same-violation-occurs-today-turkey-has-to-react-the-same-way>

<sup>96</sup> “Turkey’s Recep Tayyip Erdogan says Putin has not returned his call”, Reuters, Nov 27, 2015, cited in *The Guardian*. <https://www.theguardian.com/world/video/2015/nov/27/turkey-recep-tayyip-erdogan-putin-wont-return-his-calls-video>

<sup>97</sup> “No need to apologize when we are right, says Turkish FM”, *Hürriyet Daily News*, Nov 26, 2015 <http://www.hurriyetdailynews.com/no-need-to-apologize-when-we-are-right-says-turkish-fm-91720>

<sup>98</sup> *ibid*

<sup>99</sup> “Turkish PM: We will not apologize for downing Russian jet”, Agence France Presse, Nov 30, 2015, cited in *The Times of Israel*. <https://www.timesofisrael.com/turkish-pm-we-will-not-apologize-for-downing-russian-jet/>

militia group, Alpalsran Celik, who was suspected for killing the Russian pilot, was arrested on charges of the criminal possession and carrying of weapons. Shortly after that, he has been released and the charge of murder against him was withdrawn by the prosecutor due to “insufficient evidence”, despite Russian demands many times to conduct a transparent and objective investigation.<sup>100</sup> In this way, Ankara manifests its unwillingness to accept any fault and did not give in to Russian demands.

Third, Russia demanded to provide reparations for damages suffered by Russia. In response to this, the Turkish prime minister Binali Yildirim declared that Turkey will not pay compensation to Russia over the downing of a fighter jet.<sup>101</sup>

Fourth, unlike abovementioned demands which hold symbolic character, the substantive matter for foreign policy concessions is that Russia demanded from Turkey is to reconsider its policy in Syria. In his statement regarding the Turkish behavior, the Chairman of Russia’s Federation Council Committee on Foreign Affairs, Konstantin Kosachev also mentioned that “in order to re-start dialogue and have good relations with Russia, Turkey needs to reformulate its foreign policy towards Syria and Iraq”.<sup>102</sup> This, in particular, assumes, firstly, stopping any support to “terrorists” and rebels fighting in Aleppo, and, secondly, readiness by Turkish side to engage in a renewed dialogue over accommodating its stances with Russia over Syrian crisis regulation.

In response, Erdogan made clear that the Turkish policy would not change in Syria and the demands dictated by Russia were unrealistic due to their diverging positions on sensitive political issues, including Syria. Moreover, Erdogan openly blamed Russia for not fighting against ISIS and, actually, for supporting Assad’s “terrorist state” in Syria and his regime at all costs.<sup>103</sup> The head of the state did not lose any chance to repeat again and again that actually Russia under the pretext of fighting against ISIS, mainly targeted the Syrian

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<sup>100</sup> “Moscow wants Turkey to objectively investigate killing of the Russian pilot”, *Sputnik International*, May 5, 2016 <https://sputniknews.com/politics/201605121039528921-su24-pilot-killing-investigation/>

<sup>101</sup> “Turkey will not compensate Russia over shooting down of jet”, *Agence France Presse*, June 28, 2016, cited in *The Guardian*. <https://www.theguardian.com/world/2016/jun/28/turkey-prepared-to-compensate-russia-over-shooting-down-of-jet>

<sup>102</sup> Özdal H., “Turkey-Russia Relations: Towards Normalization?”, *Eurasia Review*, July 1, 2016 <http://www.eurasiareview.com/01072016-turkey-russia-relations-towards-normalization-analysis/>

<sup>103</sup> CNN’s Becky Anderson interview with Turkish President Recep Tayyip Erdogan, Nov 26, 2015 <https://www.youtube.com/watch?v=2tZ1knk5v38>

moderate opposition. Later Erdogan detailed: “Only Syrian Turkmen who are our relatives are living in that region. They are ostensibly striking against Daesh but they are hitting Syrian Turkmen and Syrian Turkmen are trying to defend their land”.<sup>104</sup>

The escalation reached its peak when Russia’s deputy defense minister Anatoly Antonov showed diplomats and foreign press representatives satellite images of the Turkish-Syrian border and accused Turkey of buying stolen oil (approximately 200.000 tons of oil a day from Syria and Iraq) from Islamic State and augmented that Erdogan was personally involved in this “criminal business”.<sup>105</sup> In turn, Putin blamed Erdogan and his government of contributing to the rise of the Islamic State through purchasing smuggled oil,<sup>106</sup> despite Ankara’s vociferous rejections.

To conclude, leaders of both countries locked in “a war of words” since the incident had taken place and de facto the diplomatic relations between two countries disrupted. Although, after the imposition of the sanctions by Russia, Turkish officials changed their rhetoric to some extent, there was no change in substance. They did not give in to Russian either symbolic or substantive demands (for an official apology, for a trial of the culprit responsible for killing the Russian pilot, for paying compensations to Russia over downing Russian jet and finally, for reconsidering its policy in Syria). In the time period starting from the imposition of sanctions until the coup, no concessions were made by Turkey, it did not give in to Russian demands. This means that the sanctions imposed by Russia did not result in the desired foreign policy concessions. In terms of the effectiveness for achieving foreign policy concessions, the Russian sanctions were ineffective.

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<sup>104</sup> “Turkey's Erdogan: “Everyone should respect the right of Turkey to defend its borders””, *Reuters*, Nov 24, 2015, cited in Jerusalem post. <http://www.jpost.com/Middle-East/Turkeys-Erdogan-Everyone-should-respect-the-right-of-Turkey-to-defend-its-borders-435240>

<sup>105</sup> Luhn A., “Russia steps up hostility against Turkey with war room briefing”, *The Guardian*, Dec 2, 2015 <https://www.theguardian.com/world/2015/dec/02/russia-steps-up-hostility-against-turkey-with-war-room-briefing-in-kremlin>

<sup>106</sup> Tharoor I., “Russia and Turkey accuse each other of buying oil from the Islamic State”, *The Washington Post*, Dec 2, 2015 [https://www.washingtonpost.com/news/worldviews/wp/2015/12/02/russia-and-turkey-accuse-each-other-of-buying-oil-from-the-islamic-state/?utm\\_term=.d8d10f40d464](https://www.washingtonpost.com/news/worldviews/wp/2015/12/02/russia-and-turkey-accuse-each-other-of-buying-oil-from-the-islamic-state/?utm_term=.d8d10f40d464)



#### **4.2.2. Turkey`s response after the coup attempt: concessions**

Whereas in the period before the coup, no concessions were made, this drastically changed when separate groups within the armed forces initiated the coup attempt. Not willingness of Turkish authorities to make a formal apology for downing the Russian jet, which had symbolic character, put the end to the diplomatic relations between two countries. After the imposition of sanctions by Russia, Turkey made clear that it is not going to give in to the demands made by Russia, although the following contradictory justifications and comparably softened rhetoric were pursuing the aim to mitigate the tension.

The situation dramatically changed and Turkey suddenly gave in to Russia`s demands seven months later. Soon after the coup attempt, Turkish President sent an apology letter to Putin, for satisfying Russia`s demands. In his apology letter, Erdogan described Russia as a friend and strategic companion for Turkey and emphasized more than once that the Turkish authorities had not ever had a wish to ruin the relations with Russia and, particularly, they had not any intention of the shooting downing the Russian jet.<sup>107</sup> Also, the Turkish President expressed his deep regret and condolences to the Russian pilot`s family for the death and used the word of apology in the lines of his official letter: “(I) am saying: “Excuse us.” I share their grief with all my heart. We look on this Russian pilot`s family as we would a Turkish family and we are ready to undertake any initiative that could lessen the pain and severity of the damage caused”.<sup>108</sup> In addition to that, Erdogan expressed the readiness of the Turkish side to do all necessary steps to recover friendly relations that both countries had before the incident and to work together with Russia to react to the crisis situations existing in the region and struggling against terrorism. In other words, it was the remarkable concession from the Turkish side to engage in dialogue concerning political sensitive issues. One of the pivotal questions was whether that letter would be accepted by Kremlin as a crucial step in foreign policy or it had lost its significance and value over time. After some days of receiving the

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<sup>107</sup> *Vladimir Putin received a letter from President of Turkey Recep Tayyip Erdogan*, July 27, 2016  
<http://en.kremlin.ru/events/president/news/52282>

<sup>108</sup> Ibid.

apology letter from Turkey, President Putin had a short phone conversation with Erdogan, and two leaders had contacted together via phone for the first time since the warplane incident. So, “the letter diplomacy” worked immediately and opened new prospects for further normalization of relations between two countries. Initially, the meeting of both leaders was planned at G20 Summit in China, but Erdogan’s persistent request for the urgent meeting in the nearest future received a positive response from the Kremlin. Later, Putin’s foreign policy adviser Yuri Ushakov stressed the fact that extremely big efforts put by Erdogan to meet with Putin in St. Petersburg was the evidence that Turkish side had given high importance to the restoration of relations with Russia.<sup>109</sup> It was also obvious that this initiative taken by Turkish side would be followed by substantive foreign policy concessions.

The visit to St. Petersburg in August was Erdogan’s first direct meeting with President Putin since the shooting downing of a Russian jet, and it was also his first trip abroad after the coup attempt. “Your visit today, despite a very difficult situation regarding domestic politics, indicates that we all want to restart dialogue and restore relations between Russia and Turkey,”<sup>110</sup> said Putin immediately after the handshaking. While Ankara apparently made steps for improving relations with Moscow, Russia preserved more pragmatic approach. During the whole meeting, Erdogan praised Putin “Dear friend”, obviously showing his current attitude towards the Russian president and Russia as a “friendly” country. Following the meeting in St. Petersburg, two leaders held a joint conference. As it was supposed, the political discourse changed broadly into economic discourse. The Turkish President stressed at the conference that Turkey had a great desire to return the relations with Russia “to pre-crisis level or even to a better position” by cooperating in various spheres, especially, in the areas of energy projects.<sup>111</sup> Because of the shoot downing of Russian warplane, Gazprom suspended the project which, according to Leonid Grigoriev, a chief Kremlin adviser on

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<sup>109</sup> Walker S., “Putin and Erdoğan to have first meeting since jet downing”, *The Guardian*, Aug 9, 2016 <https://www.theguardian.com/world/2016/aug/08/putin-and-erdogan-to-have-first-meeting-since-jet-downing>

<sup>110</sup> “Erdogan travels to Russia to reset relations”, *Al Jazeera*, Aug 9, 2016 <http://www.aljazeera.com/news/2016/08/erdogan-travels-russia-reset-relations-160809032238975.html>

<sup>111</sup> “Putin and Erdogan to hold joint press conference in St. Petersburg”, *Russia Today*, Aug 9, 2016 [https://www.youtube.com/watch?v=UVTah\\_Io6cM](https://www.youtube.com/watch?v=UVTah_Io6cM)

energy issues, would have given Turkey “economic development, because it’s a big construction project, plus a very important role in Europe as a hub, plus discounts on gas”.<sup>112</sup> In turn, Rosatom also halted the construction works of the nuclear power station which was designed to cut the Turkish dependency on imported energy. However, at this time the Turkish side indicated the concrete steps which they were going to take for renewing the cooperation in those areas. The head of Turkey emphasized that Turkish side were ready to give strategic investment status to the Akkayu project and, additionally, vowed to implement Turkish Stream natural pipeline project, opening a new strategic route for Russian gas for exporting to Europe. Erdogan still views the gas transit as an instrument to gain leverage towards the EU and obsesses about the idea of transferring Turkey into “gas hub”. For Putin, it is the only real way to eliminate gas transit through Ukraine and to lock Ankara into a deep asymmetric cooperation. That’s why Putin always stresses the energy as being the top priority in their cooperation. Speaking mainly about the pre-crisis economic ties and how the Russian economic sanctions negatively damaged the separate sectors of the Turkish economy, Erdogan considered vital for restoring economic ties urgently. Besides, Russia’s economy also experienced hard times due to EU sanctions with regard to the Ukrainian crisis and low prices of oil. Both sides made the decision to draft a midterm program for economic, technical and scientific cooperation for the upcoming three years.

In response to Russia’s second demand, the legal investigation against suspected murderer (Alpalsran Celik) of the Russian pilot was reopened and the legal proceedings resumed.<sup>113</sup> The court immediately ruled that he will remain in custody until the mid of the next year. Moreover, the pilots who were involved in downing Russian jet have been arrested by Turkish authorities in connection with the aborted coup. Such attitude is also explained by a

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<sup>112</sup> Mirovalev M., “Russians pay the price of new anti-Turkish measures”, *Al Jazeera*, Dec 28, 2015 <http://www.aljazeera.com/indepth/features/2015/12/russians-pay-price-anti-turkish-measures-151228093600344.html>

<sup>113</sup> “Trial of Suspected Murderer of Russian Su-24 Pilot Begins in Turkey”, *Sputnik International*, July 27, 2016 <https://sputniknews.com/middleeast/201606271042008697-turkey-su-24-pilot-murderer-trial/>

desire of Erdogan through the usage of the coup attempt as a pretext to manifest his not personal involvement in ordering the shooting down of the Russian jet.<sup>114</sup>

In regard to the third demand, Turkish presidential spokesman Ibrahim Kalim announced about Ankara's readiness to discuss the matter of compensation for the relatives of the killed Russian pilot in order to mitigate their pain to some extent.<sup>115</sup> Moreover, the Turkish Foreign Minister said that he wants personally to meet, apologize and provide financial support to the widow of Oleg Peshkov.<sup>116</sup> Although a brother of the killed Russian pilot, informed that they will not accept any material compensation from the Turkish government, the widow of killed pilot informed that she was ready to meet with the Turkish Foreign Minister to accept his personal apology and condolences.<sup>117</sup>

The most crucial precondition - substantive concession - is Russia's demand to reconsider Turkish foreign policy in Syria, which assumes firstly, stopping any support to "terrorists", also rebels in Aleppo fighting to topple Assad and secondly, engaging in a renewed dialogue in order to accommodate its stances with Russia over Syrian crisis regulation. In response to this key demand, Turkey halted supporting the groups in Syria which Russia considers terrorists. For example, Ankara has remarkably changed its stance on the al-Nusra Front militants. Ankara and Moscow agreed to consider also moderate opposition forces as "terrorist's accomplices" if they do not get away from the zones controlled by the terrorists. This means that Turkey tried to bridge its position closer to Russia apparently departing from its previous stance and took a more supportive position of Russia. For the first time, Ankara announced Russia's key role in achieving Syria's peace process, although the disagreements on how to solve the Syrian crisis still existed. "Without Russia's participation, it's impossible

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<sup>114</sup> Friedman G., "Were Turkish Coup Planners Involved In Downing Russian Jet?" *The Huffington Post*, 2016 [https://www.huffingtonpost.com/george-friedman/were-turkish-coup-planner\\_b\\_11084900.html](https://www.huffingtonpost.com/george-friedman/were-turkish-coup-planner_b_11084900.html)

<sup>115</sup> "Family of killed Russian pilot to reject compensation from Turkey", *AhlulBayt News Agency*, July 2, 2016, <http://en.abna24.com/service/europe/archive/2016/07/02/763654/story.html>

<sup>116</sup> "Turkish FM Cavusoglu ready to personally apologize to downed Su-24 Pilot's widow", *Sputnik International*, Nov 2, 2016, <https://sputniknews.com/world/201611021046991729-cavusoglu-su24-pilot-widow-apology/>

<sup>117</sup> "Widow of downed Su-24 Pilot ready to personally accept Turkish FM' apologies", *Sputnik International*, Nov 3, 2016, <https://sputniknews.com/world/201611031047041774-su-24-widow-cavusoglu/>

to find a solution to the Syrian problem. Only in partnership with Russia will we be able to settle the crisis in Syria”,<sup>118</sup> said Erdogan in the interview to TASS. This was also evaluated as the remarkable concession by the Turkish side. Although during their first meeting day in Petersburg, both countries leaders skirted out the Syrian issue, mainly discussing their interested-based economic cooperation areas and their further developments, just days after this meeting, Turkey suggested Russia carry out joint operations in Syria for fighting against Islamic State. In a live interview on NTV television Turkish foreign minister announced about the readiness of Turkish side to join Russian airstrike campaign in Syria against “common enemy”, putting aside their diverging interests on the Syrian crisis and seeking any common ground for solutions of hot issues. Cavusoglu said: “We will discuss all the details. We have always called on Russia to carry out anti-Daesh operations together”, and then continued: “Let's fight against the terrorist group together so that we can clear it out as soon as possible”.<sup>119</sup> It would not only open the prospects for the rearrangement of strategic powers in the turbulent region but also for getting rid of criticism addressed to Turkey by the Western partners for not playing a full role in the fight against Islamic State.

After the seven-month military impasse, Turkey directly intervened in Syria by Russia’s “permission”, holding a much more supportive position towards Russia. The first intervention (Euphrates Shield Operation in northern Syria) after the failed coup targeted mainly IS fighters and a Syrian Kurdish led alliance that was trying to advance on strategic border town Jarablus.<sup>120</sup> The following interventions showed that Turkey changed its priorities in Syria more focusing on both ISIS and Kurdish militants. “By August 2016, in a major policy turnaround, Turkey abandoned its absolutist position on the removal of Syrian President Bashar al-Assad”, and some months after Turkey’s deputy Prime Minister Mehmet

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<sup>118</sup> “Erdogan says talks with Putin to open new page in relations: TASS”, *Reuters*, Aug 7, 2016  
<https://www.reuters.com/article/us-russia-turkey-erdogan/erdogan-says-talks-with-putin-to-open-new-page-in-relations-tass-idUSKCN10I0PU>

<sup>119</sup> “Turkey urges Russia to back joint operations against IS in Syria”, *Al-Monitor*, Aug 11, 2016  
<https://www.al-monitor.com/pulse/afp/2016/08/syria-conflict-russia-turkey.html>

<sup>120</sup> “Syria: Turkish-backed rebels “seize” Jarablus from ISIL”, *Al Jazeera*, Aug 25, 2016  
<https://www.aljazeera.com/news/2016/08/syria-turkish-backed-rebels-seize-jarablus-isil-160824162712114.html>

Simsek stated that “Turkey could no longer “insist on a settlement without Assad”, which opened opportunities to coordinate with Russia and Iran on a diplomatic solution to the Syrian crisis.<sup>121</sup> This means that Turkey accepted the new rules of the game in Syria framed by Russia by essentially departing from its previous stance and by making substantive concessions in regard to accommodation its stance over Syria with Russia. Moreover, Moscow and Ankara started to act as similarly as possible in the future having the main goal to settle the Syrian crisis together. Therefore, Turkey increasingly changed its Syrian policy within several months following the coup attempt through foreign policy remarkable concessions, simultaneously trying to strengthen its “anti-Kurdish alliance” with Iran for blocking the emergence of a “Kurdish corridor” on its Syrian border.

In response to his St. Petersburg meeting, Erdogan invited Putin to Istanbul to participate in the 23<sup>rd</sup> World Energy Congress, in the framework of which an intergovernmental agreement was signed for the Turkish Stream Natural Gas Pipeline Project. As it is informed by the Turkish Presidential website, the meeting was very productive in terms of normalization of Turkey-Russia relations and that process it will progress swiftly.<sup>122</sup> So, the leaders of both countries found each other to have appeared on the same side. The relations between both countries entered into the rapprochement phase and steadily took the direction towards pre-crisis level. Although, both leaders found rational to manifest mutual respect and new friendliness, apparently the trust between them had been lost for a long term.

Russia’s positive reaction to Erdogan’s overture made clear that at least both leaders would take advantage of using each other as levers in arranging their relations with the West and the US, especially over Syrian issue. Turkey would get both economic and political benefits. Erdogan used normalization of relations with Russia in order to: first, to lift economic sanctions for reviving Turkish economy, in particular, for realization nuclear and energy

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<sup>121</sup> Tank P., “Turkey’s turn toward Russia”, *Carnegie Endowment for International Peace*, May 16, 2017 <http://carnegieendowment.org/sada/69981>

<sup>122</sup> *Turkish Stream natural gas pipeline project signed*, Presidency of Republic Turkey, Oct. 10, 2016 <https://www.tccb.gov.tr/en/news/542/53556/cumhurbaskani-erdogan-rusya-devlet-baskani-putin-ile-gorustu.html>

strategic projects, second, to balance Turkey's relationships with the EU and the US, third, to manifest Kurds Turkish strategic partnership with Russia and in future to strengthen its "anti-Kurdish alliance" with Iran and, finally, to find common resolution with Russia over Syrian crisis. The Turkish leader realized the impossibility of solving Syrian issue without Russia due to its being a key actor in the Middle East.

As shown in this section, the previous Turkish position of making no concession in face of the Russian sanctions, following the coup attempt, this position was quickly changed, which meant Turkey giving in to all demands (to differing degrees) made by Moscow. Erdogan made the official apology, the legal investigation in regard to killing the Russian pilot was reopened, Turkey expressed a willingness to discuss the compensation issue and even suggested some compensations the dead pilot's family and notably, Turkey reconsidered its Syrian policy considerably. The latter suggested Russia carry out joint operations in fighting against Islamic state and even more, during that time Turkey changed its foreign policy priorities in Syria.

What this showed in the second period, after the coup attempt, Russia's sanctions were effective, they did lead to the desired foreign policy concessions from Turkey. In order to explain this sudden turnaround, the following section elucidates the factors which led to this change, which led to Turkey giving in to Russia's demands.

### 4.3. Domestic instability and international isolation before and after the coup attempt

In this section, I am going to measure “the level of vulnerability” through a) domestic instability and b) “international isolation”. Assuming that the level of vulnerability mediates the effect of sanctions on foreign policy concessions, here I am looking whether a change in vulnerability can explain the observed sudden turnaround in Turkey’s responsiveness to Russian sanctions. I begin by assessing the change in “domestic stability” induced by increasing number of terrorist attacks, a new cycle of Turkey’s PKK conflict, the coup attempt, following three months state of emergency and massive purges during that period. Thereafter, second, I assess the degree of “international isolation” following the coup.

Already sanctioned Turkish economy was struggling with political volatility. “The cycle of violence has marked, perhaps, the most turbulent year in Turkey’s modern history”.<sup>123</sup> Turkey has collided with large-scale and repeated terrorist attacks prepared mainly by “Islamic State of Iraq and the Levant” (ISIL/Daesh), the “Kurdistan Workers’ Party” (PKK) and the PKK-affiliated (attacks by organizations that have declared allegiance to PKK) “Kurdistan Freedom Hawks” (TAK) which have caused hundreds of victims in Ankara, Istanbul, Bursa, Suruç, or Diyarbakır, following massive protests in the aftermath of those bloody events. Besides, the border city of Kilis has been under continuous rocket attacks by ISIS from the Syrian territory in April which became so-called “terror zone” and the reason of fleeing dozens of inhabitants. Despite widespread accusations of Turkey’s involvement in supporting IS and jihadist militants, Turkey was shelling both IS inside northern Syria and the Kurdish fighters of Popular Protection Units (YPG). The latter was also fighting for the Kurdish autonomy for decades. From the Turkish perspective, those Kurdish fighters were a direct threat to their national security. On the other hand, the US and Russia actively supported Kurdish rebel groups<sup>124</sup> which were eager to maintain their control along the Turkish-Syrian border, considering them as one of the effective forces on the ground in the

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<sup>123</sup> “Turkey v Syria’s Kurds v Islamic State”, *BBC*, Aug 23, 2016

<http://www.bbc.com/news/world-middle-east-33690060>

<sup>124</sup> Toll G., “Why is Turkey silent on Russia’s cooperation with the Syrian Kurds”, *Middle East Institute*, Jan 3, 2018 <http://www.mei.edu/content/why-turkey-silent-russia-s-cooperation-syrian-kurds>



fight against IS. Moreover, Kremlin had given the Syrian Kurds permission to open a diplomatic representative office in Moscow.<sup>125</sup>

The clashes between PKK (which were internationally listed as a terrorist organization) and Turkey's security forces, in particular, southeastern Turkey, where most of Turkey's ethnic Kurds live, caused hundreds of casualties on both sides. The Turkish security forces also attacked the Kurdish civilians living there. By the estimations of Amnesty International: "It is likely that at least half a million people have been forcibly displaced by the violence, large-scale destruction of property and by ongoing curfews in areas across the south-east".<sup>126</sup> According to International Crisis Group: "the PKK conflict has entered one of the deadliest chapters in its three-decade history. Over the past year, more than 1700 people have been killed".<sup>127</sup> As noted Fuat Keyman, the director of Istanbul Policy Center, the internal stability of Turkey mainly depends on how Turkey and PKK relations would develop in future and which role Turkey should play in the Middle East and against ISIL, stressing also that unfeasible to detach Turkish foreign policy from its internal issues. "(T)urkey must engage as a soft power (supporting civil society and playing roles in humanitarian affairs and negotiations) instead of just acting as a buffer for conflict".<sup>128</sup>

The chain of IS attacks in 2016 changed its character since they were not mainly addressed to Kurdish targets but regularly directed against the Turkish society. The suicide bombings in Istanbul in January and March 2016, terrorist attacks in Ankara in February and in Gaziantep in May, Ataturk airport attack in June of the same year, the assassination of the Russian ambassador in Turkey in December and large-scale purges of security forces resulted in considerable deterioration of security situation in the state. In terms of figures, the number of politically motivated terrorist attacks in 2016 compared to the previous year had

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<sup>125</sup> Reynolds M. A., "Turkey, Russia, and NATO Enter the Danger Zone", *Foreign Policy Research Institute*, Dec 8, 2015, <http://www.fpri.org/article/2015/12/turkey-russia-and-nato-enter-the-danger-zone/>

<sup>126</sup> "Turkey: Displaced and disposed-Sur residents' right to return home", *Amnesty International*, (EUR.44.5213.2106), 2016, p. 5

<sup>127</sup> "Turkey's PKK conflict: The death toll", *International Crisis Group*, July 20, 2016 <https://www.crisisgroup.org/europe-central-asia/western-europemediterranean/turkey/turkey-s-pkk-conflict-death-toll>

<sup>128</sup> "Turkey in 2016: Domestic Politics, EU relations and beyond", *Wilson Center*, Jan 21, 2016, <https://www.wilsoncenter.org/event/turkey-2016-domestic-politics-eu-relations-and-beyond>

dramatically increased in Turkey. According to START, (The National Consortium for the study of terrorism and responses to terrorism) only in the first half of 2016, it was accounted around three hundred attacks.<sup>129</sup> The entire 2016 was unprecedented with the number of around five hundred forty terrorist attacks<sup>130</sup> and political upheavals. Although terrorist attacks carried out by ISIL were essentially centered in Iraq and Syria, Turkey appeared among those countries in 2016 with the number of fifty-six terrorist attacks carried out only by ISIL.<sup>131</sup> According to another data presented by the World Bank, the political stability index of Turkey is the worst in 2016 compared with the previous 10 years. It has dropped 0.5 compared with 2015, reaching to -2 point. The average value for Turkey during that period is -1.03 points with a minimum of -2 points in 2016 and a maximum of -0.59 point in 2006.<sup>132</sup> This is also an average of different indexes from the World Economic Forum, and the Political Risk Services and so on. So, in 2016 Turkey appeared among top ten countries in the world with its weak political stability leaving ahead only Burundi, Congo, Libya, Iraq, Somalia, Sudan, Pakistan, Afghanistan, Yemen, and Syria.<sup>133</sup> This means that already in the time period preceding the coup, there was a degree of domestic instability with numerous terrorist attacks, growing autocracy of the Turkish leadership, launched assaults in Kurdish regions by the Turkish government. Yet, even while there were these domestic troubles, Erdogan was firmly in power, he did not see any serious challenge to him and did not perceive himself and his government under the direct threat domestically. From this position of relative domestic stability, the terrorist threat notwithstanding, it was possible for the Turkish leadership to rebuff Russian demands, even when enforced with economic sanctions. Even when sanctions hit Turkey, in spite of economic costs, this simply did not lead to a situation in which the government's power was seriously threatened. Despite Turkey's domestic issues

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<sup>129</sup> The National Consortium for the study of terrorism and responses to terrorism, A center of excellence of the U.S. Department of Homeland security, <https://www.start.umd.edu/gtd/search/Results.aspx?expanded=no&search=turkey&ob=GTDID&od=desc&page=11&count=50#results-table>

<sup>130</sup> Ibid.

<sup>131</sup> Ibid.

<sup>132</sup> "Turkey: Political stability", *The Global Economy.com*, 2016

[https://www.theglobaleconomy.com/Turkey/wb\\_political\\_stability/](https://www.theglobaleconomy.com/Turkey/wb_political_stability/)

<sup>133</sup> "Political stability-country rankings", *The Global Economy.com*, 2016

[https://www.theglobaleconomy.com/rankings/wb\\_political\\_stability/](https://www.theglobaleconomy.com/rankings/wb_political_stability/)

and strained relations with the EU, at no point was the government/Erdogan's rule in danger. Therefore, vulnerability before the attempted coup was low. This markedly changed with the coup when the level of domestic instability reached its peak.

Factions within the armed forces initiated the coup attempt. For the first time, the Parliament of the Republic was shelled by coup plotters as well as other state and civilian infrastructures. Their tanks moved to Ankara and Istanbul to seize control of the Bosphorus Bridge. The common people who had gone out in the streets faced down the tanks and was able to partially put down the coup attempt. During the clashes of that bloody night, 246 people were killed and 2194 were injured.<sup>134</sup> The government blamed Fethullah Gulen for masterminding the coup who lives in exile in the US and who, according to the Turkish current authorities, has had a huge network of adherents infiltrated Turkish institutions for decades. During several days, tens of thousands of state workers, in particular, from security, military forces and judicial system had been arrested or dismissed based on allegations of links to Gulen's network or threat to the national security.

Under the announcement a three-month state of emergency by the Turkish president in the aftermath of the aborted coup, unprecedented purges were launched. "Nearly 90,000 servants were dismissed; hundreds of media outlets and NGOs were closed down and journalists, activities, and MPs were detained".<sup>135</sup> Holding emergency powers for a long-term gave the president and his cabinet a chance to make the new laws bypassing the parliament. Hence, under the pretext of involvement in the failed coup, the government organized massive purges to finally get rid of or at least to silence the opponents and critics of the current Turkish authorities. Moreover, Erdogan signaled the death penalty reinstatement which was abrogated by the country in 2004 as part of its bid for becoming EU member. The domestic instability in Turkey much more aggravated after the aborted coup attempt, and the difference before and after the coup attempt was within the level of intensity. Whereas already before the coup there were domestic difficulties, especially related to terrorism, they were not of

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<sup>134</sup> Observations of the Ministry of Justice of Republic of Turkey concerning the memorandum by the Council of Europe's Commissioner for Human rights, Ministry of Justice Republic of Turkey, Ankara, Oct. 31, 2016

<sup>135</sup> *Amnesty International report 2016-2017*, p. 367

such large scale or gravity that they would have endangered Erdogan`s rule. At no moment did it appear that his rule was seriously in danger. Therefore, the vulnerability of the government was not particularly high.

The second element by which vulnerability can be assessed is international isolation. In the aftermath of the coup, Turkey came under heavy international pressure both from international organizations and from traditional its partners and allies. They harshly criticized the sweeping measures taken by the Turkish president and recorded numerous deviations from the various Conventions and International legal documents, calling for the Turkish authorities to put the end to the massive crackdowns. The Council of Europe`s Commissioner of Human Rights presented special Memorandum<sup>136</sup> regarding the existing urgent situation in Turkey where he stressed about nearly unlimited discretionary powers for the Turkish administrative authorities and the executive, a huge number of violations of the general principles of rule of law and human rights, etc, strongly urging the Turkish authorities to revert to the situation before the state emergency, to follow the guidance of the Council of the Europe regarding human rights and without delay to implement recommendations of the CPT addressed to them.<sup>137</sup> In their joint statement, the European Union`s foreign policy chief Federica Mogherini and Commissioner Johannes Hahn reminded that European Union condemned with concern the developments regarding the State of Emergency in Turkey, considering them totally unacceptable and stressing the significance of prevailing rule of law, human rights and fundamental freedoms in the state.<sup>138</sup> Despite the condemnations of the coup attempt by NATO`s secretary general, Jens Stoltenberg, he stressed the vital importance to guarantee full respect for constitutional order, the rule of law and fundamental freedoms

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<sup>136</sup> Council of Europe, Commissioner for Human rights, *Memorandum of the human rights implications of the measures taken under the state of emergency in Turkey*, Strasbourg, Oct 7, 2016

<sup>137</sup> Ibid.

<sup>138</sup> *Statement by High Representative/Vice-President Federica Mogherini and Commissioner Johannes Hahn on the declaration of the State of Emergency in Turkey*, Brussels, 21/07/2016  
[https://eeas.europa.eu/headquarters/headquarters-homepage/7283\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/7283_en)

by Turkey.<sup>139</sup> Similarly, EU Foreign ministers and Secretary of State John Kerry called on Erdogan to move in a way to respect rule of law and fundamental rights.<sup>140</sup>

Erdogan's authoritarianism and the situation in the country had vexed the EU and its leaders' before the coup attempt as well, but the block's all criticism was moderated due to Turkey's role as an ally in Syria, confronting with Russia and as a door-keeper of migrants on a migrant way to Europe. After the refugee deal, there was trouble that the EU was turning a blind eye to human rights abuses in the country. However, the unprecedented scale of crackdowns and restoration of new friendship with Russia rattled the Western leaders and changed the rhetoric of EU officials' statements. Instead, Erdogan viewed the migration deal as a leverage of manipulation towards the West both before and after the aborted coup, since the West needed Turkey much more at that point than Turkey the West. In exchange for curbing the flow of migrants from Syria and other countries into Western Europe, Turkey was expecting visa-free travel to Schengen zone of its citizens and "re-energizing of the accession process". Instead, soon after the joint statement on refugee deal, the Turkish government refused to amend a counter-terrorism law of the country, which was one of the key demand for granting visa-free travel within Schengen zone, considering it vital tool in order to confront with the threat of Kurdish and Islamic terrorism at home and also indicating it was in the midst of an operation against Kurdish militants. Moreover, the Turkish officials and Erdogan threatened the West to reopen Turkey's borders to Europe for migrants and refugees if the EU failed not to implement its part of the deal. Erdogan's comments were becoming more and more harsh towards Europe, reaching the level of absurdness. The West's comments towards the Turkish authorities were merely strained due to several political factors, but after the coup attempt, those became proportional responses to the Turkish side, including warnings about suspending negotiations on EU accession, and even about cutting diplomatic ties with Turkey. Those comments resulted in a sharp deterioration in ties with the European Union, which Turkey was still eager to join. In other words, "Rapidly distancing itself from the European values"<sup>141</sup> widened the cliff between the West and Turkey, and Turkey conceived

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<sup>139</sup> Kanter J., "E.U. and U.S. Urge Erdogan to Show Restraint After Coup Attempt in Turkey", *The New York Times*, July 18, 2016 <https://www.nytimes.com/2016/07/19/world/europe/eu-turkey-coup-erdogan.html>

<sup>140</sup> Ibid.

<sup>141</sup> "EU commissioner says Turkey is distancing itself from European values", *Turkish Minute*, July 25, 2017

itself marginalized by the West. This means that, in terms of international isolation, Turkey's vulnerability increased strongly.

Similarly, vulnerability also increased due to deterioration of Turkey's relations with the US in the aftermath of the coup, further increasing the country's "international isolation". The relations with the US were also uneasy for Turkey since the US supported the alliance between YPG and some Syrian Arabs called Syrian Democratic Forces (SDF), which were taking control over strategic areas from different armed Islamist groups. Syrian Kurds were expanding their areas of the operation aimed at taking control of border towns and further to unite them for creating autonomous enclave along the Syrian-Turkish border, which was viewed by Turkey as a direct threat to its national security and as a failing of plans of creating "buffer zone". If the PKK is officially considered a terrorist organization by the US and the West, the same did not spread over YPG, which had obtained the trust of Turkey's international allies in the fight against IS, despite Turkey's bombardments of the YPG targets. Already strained relations became much more complicated when after the coup the US refused the Turkish side's demand to extradite F. Gulen, who was blamed for masterminding the coup in Turkey. Instead, the US demanded shreds of evidence and not allegations from Turkey. Besides, Turkey's unpredictable foreign policy over Syria, including the downing of the Russian jet tightened the relations between Turkey and NATO. Tensions became salient when NATO reacted to dismissals of hundreds of senior military staff serving with NATO in Europe and the United States, and when NATO officers appeared among thousands of Turks seeking asylum in Germany.

The tensions were not limited to the US, NATO, Russia and the West. Before it, Turkey had already spoiled the relations with Arab states, which resulted in growing challenges not only for the Turkish politics but for the economy as well. The key former trade partner for Turkey was Egypt which great market was closed for Turkey due to non-recognition of current authorities as legitimate rulers after the overthrow of Muslim Brotherhood. The relations

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<https://www.turkishminute.com/2017/07/25/eu-commissioner-says-turkey-is-distancing-itself-from-european-values/>

soured with Libya as well, since the Libyan government blamed Turkey for providing arms to the Islamist groups and announced about expelling around 180 Turkish companies from Libya, also calling for all Turks to leave the country.<sup>142</sup> The Turkish foreign policy also confronted with Iran over regional issues, starting from Turkey's solid stance on the removal of Syrian President Bashar al-Assad, support of different Islamist groups, ending with Turkey's serious worry about Iran's spreading influence over Bahrain, Yemen, and Lebanon.<sup>143</sup> The practice of recalling ambassadors to Ankara over last few years became common phenomenon mainly due to bilateral political tension and security concerns in those countries. At that period, Turkey had no ambassadors in neighboring countries such as Syria, Egypt, Israel, Libya, Yemen and the list can be continued with European countries as well. "A foreign policy predicated on an agenda that misjudged, or blatantly disregarded, the realities on the ground, pushed Turkey into considerable isolation in the Arab world. Not only has Ankara withdrawn a number of diplomatic missions, but Turkish businessmen have also become personae non-grate across the region – and in return, Turkey seems to have squandered away its credentials as a reliable partner".<sup>144</sup> The political loneliness of Turkey showed how Turkish foreign policy had a fiasco or at least failed on numerous fronts. Davutoglu's "zero problems with neighbors" policy slogan for Turkey turned into the problems with all neighbors in the region, in some cases, into "zero trade" as well. The removal from the political arena the author of this slogan, who failed to bring it into life, seemed like the first step towards changing the further situation.

In conclusion, the assessment of the vulnerability of Turkey before and after the coup attempt shows that even though there were some issues, both with regard to domestic stability and with international isolation, Turkey's vulnerability on both dimensions dramatically increased after the coup attempt. Domestically, the government had to struggle for its power;

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<sup>142</sup> Tastekin F., "From 'zero problems' to zero trade", *Al-Monitor*, Feb 27, 2015, [www.al-monitor.com/pulse/originals/2015/02/turkey-zero-problems-to-zero-trade.html](http://www.al-monitor.com/pulse/originals/2015/02/turkey-zero-problems-to-zero-trade.html)

<sup>143</sup> Graham D., "Sheikh Nimr al-Nimr and the Forgotten Shiites of Saudi Arabia", *The Atlantic*, Jan 5, 2016, [www.theatlantic.com/international/archive/2016/01/nimr-al-nimr-saudi-arabia-shiites/422670/](http://www.theatlantic.com/international/archive/2016/01/nimr-al-nimr-saudi-arabia-shiites/422670/)

<sup>144</sup> Kirisci K., Ekim S., *Turkey and EU Relations in Light of Recent Political and Economic Developments in the Region*, Mediterranean Yearbook, 2016, p.53

and internationally, Turkey became isolated. What we witness is, therefore, a drastic increase in vulnerability with the coup attempt. Under the impression of the attempted coup, the government perceived itself under siege of being removed from power, and internationally, the government became isolated from its Western allies. Therefore, after the coup attempt, the vulnerability became extremely high.

This change in vulnerability then explains the above-observed turnaround of Turkey, the sudden change in its responsiveness to Russia's demands. Whereas sanctions stayed same over time, and whereas impact and the costs Turkey suffered from them did not abruptly change over time, these sanctions, while initially ineffective, nevertheless resulted in considerable concessions by Turkey. The economic sanctions imposed by Russia led to substantive concessions, once vulnerability of Turkey drastically increased due to the coup. Whereas before, the political cost of economic sanctions was acceptable for the Turkish leadership, in the aftermath of the coup, the political costs had increased a lot, thus resulting in turnaround and change. The effectiveness of Russia's sanctions in leading to Turkish foreign policy concessions can thus be explained by the change in the level of vulnerability.



## 5. Conclusion

In this study, I set out to explore the conditions determining the effectiveness of economic sanctions. Relying on the literature on sanctions, I have then studied the case of Russia's sanctions against Turkey in order to identify which factors led to the Turkish foreign policy concessions. More precisely, it investigates the factors behind Turkey's decision to make foreign policy concessions to Russia. For that purpose, I have scrutinized the effectiveness of Russian sanctions against Turkey before and after the coup attempt for extrapolating the causal link between the economic sanctions, along with target country's level of vulnerability and foreign policy concessions. I provided an assessment of the impact of Russian sanctions on the Turkish economy. Then I looked at how the level of vulnerability caused by domestic instability and International isolation mediated the effect of the economic sanctions Russia had imposed, that is how the level of vulnerability deactivated or activated the effect of sanctions and thereby determined whether they would result in concessions.

The finding of the analysis was that Russian economic sanctions led to substantive concessions, once vulnerability of Turkey drastically increased due to the coup attempt. The change in Turkish foreign behavior is not the direct effect of sanctions, but they became effective tool due to increased vulnerability derived from domestic instability and international isolation. In other words, the effect of sanctions is mediated by Turkey's vulnerability. The change in Turkish foreign policy behavior or re-imaging of its foreign policy is the result of the sum of economic pressure (i.e. sanctions) and changing levels of vulnerability, which determines the political costs these pressures inflict upon the regime. The economic sanctions, accompanying with the growing domestic instability and alienating its political allies which led to isolation, undermined the country's foreign trade and tourism, creating challenges for Turkish economy and politics. The magnitude of that shake became a determinant for foreign policy concessions. Growing domestic instability and isolation became magnified after the coup attempt, granting to economic sanctions a real power of coercion.

The turning point of Turkish foreign policy re-calibration happened when domestic instability reached its peak and isolation in the aftermath of the coup emerged. This means

sudden, drastic increase in vulnerability. The Government could withstand the dramatic impact of the sanctions till the attempt of overthrowing of itself, and after the aborted coup Turkey became extremely vulnerable and the political costs were greatly increased. They drastically and suddenly increased with the coup attempt. And with this sudden change, also the effect of the sanctions suddenly, and drastically increased. This means that the economic sanctions alone did not turn into coercive power due to Turkey's low vulnerability and their capacity of generating concessions emerged when they had an exact vector of high vulnerability. Moreover, the kind of high vulnerability should have political character or background for transferring into real power. The economic sanctions needed solid political factors for providing high vulnerability in order to lead to Turkish foreign policy concession. As we viewed in theory (see p. 19), the authoritarian leaders are more keen on ignoring economic sanctions even if they hit economy significantly, since they are not worried about common people's complaints, have many leverages to silence the protests and chance to advance their own political ambitions. Although Russia remarkably demonstrated its ability to "bleed" many vital sectors of the Turkish economy, the economic sanctions did not generate concessions over six months. The cost of strained relations with Russia was high since they paralyzed the flourishing cooperation between countries in strategic areas, such as trade, tourism, investment, and energy. Although the sanctions were undermining Turkish economy, which had already experienced a blockage of markets from the countries of Arab States due to Erdogan's political opposite stances, the Turkish President was unwilling to make a rational choice for rescuing Turkey-Russia relations, in particular, to give in Russia's demands and make concessions. Moreover, the Turkish side went beyond with its much tough rhetoric and made clear that Turkish foreign policy would not be changed towards Russia. However, they can withstand at some level, since when economic sanctions start to operate in destabilized political atmosphere, their impact is eroding.

These findings confirm the hypothesis that the more vulnerable the country, the more effective the economic sanctions. This study demonstrated that the level of vulnerability defines the conditions under which economic sanctions are effective. When a vulnerability is high, then sanctions are effective and, in contrast, when a vulnerability is low, then

sanctions are not effective. By demonstrating the mediating role of vulnerability, this study supports the argument in the literature on sanctions that facilitating conditions matter.

The question under which conditions sanctions lead to change in foreign policy of the target country can be answered in the following way: under the conditions of low vulnerability the economic sanctions are not able to generate concessions, while under the conditions of high vulnerability, in particular, provided by domestic instability and isolation, sanctions turned into coercive power and generate concessions. The effectiveness of economic sanctions increases with the augmentation in the vulnerability of the target country. Sanctions alone are necessary but not sufficient preconditions for achieving foreign policy concessions. Their effect is mediated by the target country's vulnerability and international isolation. Especially domestic instability thereby maximizes the effectiveness of sanctions. Hence, it is possible to conclude that it is only under the permissive conditions of (sufficient) vulnerability that economic sanctions are effective.

As this study has demonstrated, the arguments that sanctions are generally an ineffective tool of foreign policy (see p. 13), are too simplistic, since as I have shown it depends on the conditions under which economic sanctions can be granted coercive power to generate concessions. The findings of this study, therefore, support the arguments by those authors<sup>145</sup> who take a more nuanced view and argue that their effectiveness depending on conditioning factors and foreign policy pursued goals (types of demand), however. Since the effectiveness of sanctions is an ongoing hot debate on literature, this study contributed to this debate by demonstrating the relevance of target country vulnerability.

Whereas this study contributes to the sanctions literature in this way, these findings could be further tested in other cases or settings. Here, the mediating role of vulnerability was tested only in the case of Russia's sanctions against Turkey. In order to confirm the role of vulnerability, to generalize these findings, additional studies/other cases would be necessary. While a small-N comparative design is considered most useful for answering the research question this study has put forward, the generalizability of findings is limited. I am aware of

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<sup>145</sup> Hufbauer G. C., Schott J. J., Elliott K. A., Oegg B., Dashti-Gibson J., Davis P., Radcliff B., Blanchard Jean-Marc F., Ripsman N., Drury A. C. Baldwin D. A., Drezner D., Drury A. C., and etc.

this limitation. While the findings and conclusions apply to the case under consideration, their more general validity had to be tested for other cases – which is a task for future studies. Large-N studies would give a possibility not only to control levels of vulnerability but also to solve “many variables, few cases” methodological problem. Moreover, the level of vulnerability could be measured over a long time period through various variables and the effects of economic sanctions could also be measured through econometric models which would give a more precise picture of the level of vulnerability and its’ interaction with concession size. This study has made a contribution to the debate, but the effectiveness of sanctions remains a vital research area which warrants further research.

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## Appendices

*Table 4.1. Russia's FDI into Economies of Major Direct Investment Recipient Countries (million USD)*

Russia's FDI into Economies of Major Direct Investment Recipient Countries (million USD)		
Year	2015	2016
Cyprus	22085	22314
Virgin Islands (British)	1475	1184
Switzerland	203	1433
Bahamas	1054	1205
Turkey	1475	1184

Source: Federal State Statistics Service (Russian Statistical Yearbook, p. 307)

[http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/en/main/](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/en/main/)

*Table 4.2. Russia's Foreign Direct Investment (FDI) (million USD)*

Russia's Foreign Direct Investment (FDI) (million USD)		
Year	2015	2016
Total	22085	22314
In Turkey	1475	1184
Share in total (%)	6,68	5,31

Federal State Statistics Service (Russian Statistical Yearbook, p. 307)

[http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/en/main/](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/en/main/)

*Table 4.3. Number of Russian Tourists Arrived in Turkey (thousands)*

Number of Russian Tourists Arrived in Turkey (thousands)	
In 2015	3,649,003
In 2016	866,256
Total in 2015	36,244,632
Share in total (%)	10,1
Total in 2016	25,352,213
Share in total (%)	3,4

Source: Turkish Statistical Institute database <http://www.turkstat.gov.tr/Start.do>

*Table 4.4. Turkey's tourism revenues in total and from Russian visitors (2015-2016)*  
(million USD)

Turkey's tourism revenues in total and from Russian visitors (2015-2016) (million USD)		
	2015	2016
Total	22,1	31,44
From Russian visitors	2,31	0,57

Source: Ministry of Culture and Tourism (Republic of Turkey) [Link](#)

*Table 4.5. Turkey's Import from Russian (USD)*

Turkey's Foreign Trade (Import from Russia) (USD)	
In 2015	20,401,756,568
In 2016	15,162,386,047
Turkey's Total Import (USD)	
In 2015	207,234,358,616
In 2016	198,618,235,047

Source: Turkish Statistical Institute database <http://www.turkstat.gov.tr/Start.do>

*Table 4.5.1. Turkey's Imports by country and year (thousand USD)*

Turkey's Imports by country and year (thousand USD)		
	2015	2016
Total	207 234 359	198 618 235
China	24 873 457	25 441 433
Germany	21 351 884	21 474 989
Russia	20 401 757	15 162 386

Source: Turkish Statistical Institute database <http://www.turkstat.gov.tr/Start.do>

Table 4.6. Turkey's Export to Russian (USD)

Turkey's Foreign Trade (Export to Russia) (USD)	
In 2015	3,588,330,986
In 2016	1,732,953,579
Turkey's Total Export ( USD)	
In 2015	143,838,871,428
In 2016	142,529,583,808

Source: Turkish Statistical Institute database <http://www.turkstat.gov.tr/Start.do>

Table 4.6.1. Russia's export to Turkey by country in 2015 (million USD)

Russia's export to Turkey by country in 2015 (million USD)	
Netherlands	40848
China	28601
Germany	25351
Italy	22294
Turkey	19287
Total	343512

Source: Federal State Statistics Service (Russian Statistical Yearbook, p. 570)  
[http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/en/main/](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/en/main/)

Table 4.7. GDP of Turkey by years (billion USD)

GDP of Turkey by years (billion USD)	
2015	2016
859.38	857.75

Source: World Bank database <http://databank.worldbank.org/data/home.aspx>



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(*author's name*)

The effectiveness of economic sanctions: the case of Russia's sanctions against Turkey

supervised by Thomas Linsenmaier,  
(*supervisor's name*)

- (signature)